



# How to make your tropical food supply chain more sustainable

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## **There is an increasing need for more sustainable imported food products**

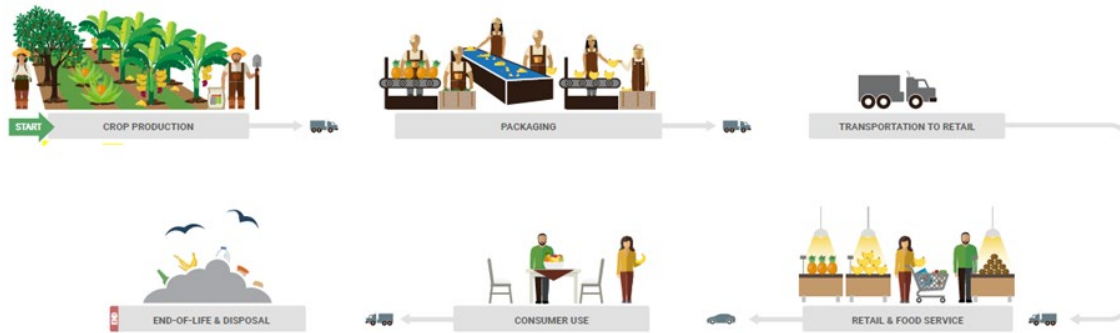
The sustainability of our domestic food production has been on the radar for a long time, and has been progressing quite well due to, among other things, strict regulation at the level of the European Union and within the member states. However, the sustainability of our imported goods is far less regulated. Governments in the EU have been relying on voluntary agreements with companies (such as the IRBC in the Netherlands ([imvoconvenanten](#))), and private initiatives such as sustainability standards (e.g. Rainforest Alliance, and Fairtrade), but have become increasingly aware that the impact thus far has been limited (see e.g. Bitzer and Steijn, 2018; Ingram et al, 2018; Oya et al., 2018). Therefore there is an increasing lobby for regulating the supply chains of imported goods. Anticipating new legislation, we offer you this leaflet to provide you with information on how to improve the sustainability of tropical food.

## **The momentum for stricter regulation for imported goods into the EU has arrived**

The Green Deal outlines the Commission's commitment to the transformation of global value chains by promoting new standards for sustainable growth. According to the commission, mandatory human rights and environmental due diligence in international supply chains for EU enterprises can be an effective tool to achieve these new standards (EPRS, 2020). Some pioneering EU countries such as France and Germany have already implemented (or are about to) due diligence legislation for imported goods. In the Netherlands a child labour due diligence law was recently approved as well, and the government is raising the bar for its own procurement by demanding more information from suppliers that source high risk products, such as tropical food products.

## **The Sustainability Consortium (TSC) has built a system to track sustainability improvements in tropical food chains**

Wageningen University & Research (WUR) which takes part in The Sustainability Consortium (TSC [sustainabilityconsortium](#)), has, on the basis of a hotspot analysis, identified which sustainability themes should be tackled in the chains of various tropical products, see Figure 1. In order to track how companies are improving on those issues, questionnaires have been designed, and sent out to suppliers of tropical food. Questions address, among other things: 1) How sustainability is integrated in the business, 2) What the level of traceability is, 3) The volume certified, and, lastly, 4) Measures taken.



**Figure 1** A simplified schematic overview of the tropical food supply chain

### Most sustainability issues in the tropical food chain can be found at farm level

The main sustainability themes in the supply chains of tropical products are:

1. **Traceability:** How far in the supply chain do you have visibility?
2. **Social conditions:** This concerns labour rights, health & safety of farmers and workers as well as living wages
3. **Fertiliser:** The use of fertilisers affects soil and water quality
4. **Pesticides:** The use of pesticides affects biodiversity, soil and water quality and worker health
5. **Energy use:** This concerns CO<sub>2</sub> emissions related to transport and distribution
6. **Water management:** Availability of water for irrigation and drinking water
7. **Biodiversity/deforestation:** Loss of plants and animal species through deforestation and intensive cultivation
8. **Food losses:** These take place during cultivation and transport

### Several steps can be taken within your organisation to prevent, address and mitigate potential negative impacts

The human rights and environmental due diligence process roughly has four steps:

- A public statement that sets out your commitment to address, mitigate and prevent potential negative impacts.
- Along with the statement goes a policy in which time-bound targets are defined, such as: 'We are committed to eradicate child labour from our supply chains by 2025', and 'We are committed to become carbon-neutral by 2025.'
- The next step is to train your staff, and in particular the buyers, on sustainability issues, and evaluate your staff with performance metrics related to the sustainability targets as defined in your policy.
- Lastly, it is crucial to check your own policies, such as contract terms and conditions to make sure you are not creating an environment in which your suppliers have to break the rules to keep delivering to you. For example: Do you pay a fair price, and do you have long commitments with your suppliers so that they are able to invest in sustainability?

### Responsibility goes beyond your own organisation and concerns the whole supply chain

Besides taking the necessary steps within your own organisation, you should also choose suppliers that are willing to invest in sustainability, especially at farm level. In order to address the sustainability issues at farm level, a supplier code of conduct that only mentions what suppliers are not allowed to do is not enough. You may have to select suppliers that:

1. Commit to improve on the themes as mentioned above via quantitative time-bound goals, and report on improvements reached
2. Have a traceability system all the way to cooperative/farm level, and disclose who their suppliers are
3. Perform regular risk assessments to better understand where in the supply chain negative impacts on the environmental and social domain are taking place, and take actions accordingly
4. Create an environment in which there is room for sustainable investments (e.g. via paying a fair price, and long-term commitments)

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## Examples of sustainable practices in the tropical food chain

Many sustainability actions are already taking place or are being developed in tropical food supply chains (see for example [Trusted-source](#)). Below we have summed up a couple (this list is not exhaustive).

### Climate and income of farmers (Verstegen)

Verstegen focuses on regenerative agroforestry (food forests) to make the production of white pepper more sustainable. This increases agricultural productivity, enhances biodiversity and counteracts climate change. For the farmer this results in a stable income and spread of business risks. Verstegen does this together with reNature, a Dutch foundation that operates internationally to help farmers switch to a sustainable agricultural system.

### Optimal soil management (Fruity Pack)

Fruity Pack enters into sustainable and respectful business relationships with the growers. Fruity Pack cooperates with the seed breeder and grower to determine the best varieties. Growers are involved in this process from the beginning. This is only possible if long-term agreements are made. The growers try to aim for high production in the short term, while Fruity Pack stimulated to look at the long term and strives for optimal soil utilisation. The costs are therefore a little higher, but it is more sustainable for the future.

### Living wage (Eosta)

Eosta sells mangoes from Burkina Faso and pays farmers a premium of 10 eurocents per kilo for a living wage. This premium amount is paid to the mango producer in order to achieve structural wage increases. Every mango on the shelf has a Living Wage logo.

### Full-time farm workers (Chestnut Hill Farms)

Chestnut Hill Farms is an integrated farming and marketing company which grows pineapples in Costa Rica and the Dominican Republic. The vast majority of farm workers and workers on the packaging station are employed full-time and earn respectively 75% and 112% more than the current minimum wage.

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### More information (WUR)

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