SFAP-
Verified
CO2- statement

Version 6.1, June 2020

1. Introduction

The Sustainable Farming Assurance Programme (SFAP) is an international programme for the verification of sustainable practices in agricultural production at the level of the farm. The programme is globally applicable and is relevant for all arable crops that are transformed into feed (e.g. soy, maize, barley, wheat).

About SFAP

The main characteristics of SFAP are:

- Independent programme, open for all farmers and farmer groups irrespective of their supply chain partners
- Created and managed in close cooperation with farmers
- Applicable to a broad range of (arable) crops
- Global applicability
- Robust, cost-efficient verification module
- Strong non-conversion chapter
- Area mass balance supply chain model linking impact to origin sourcing

Verified CO2-statement

In addition to showing responsible crop production, SFAP also offers the unique option to make the CO2-footprint of the crops visible. In order to do so, specific crop input data of the SFAP farmer groups has been assessed, just as satellite images of land conversion. The guidance of leading international institutions such as GFLI and FAO (LEAP-LCA) is being followed in calculating this CO2 footprint.

Companies that are facing requests from their customers to make the CO2-footprint of their raw materials visible or companies that want to promote the low CO2-footprint of their products, can obtain an additional verified CO2-statement on top of the SFAP-certificate. This document introduces the approach to arrive at such verified CO2-statement.

2. Verified CO2-statement

Food and feed companies are more and more aware of and held accountable for their contribution to climate change. They are challenged to take adequate action to make the CO2-footprint visible and take actions to lower their climate impact. This need for action has resulted in zero-deforestation commitments and sustainability certification in the supply chain. The movement into showing the CO2-footprint and making fact-based CO2-calculations is rather new, but developing quickly.

The feed industry has initiated the Global Feed LCA Institute (GFLI) to promote and align efforts to make the CO2 footprint of feed ingredients and feed products visible. GFLI builds upon the LEAP methodology (FAO). GFLI makes use of the Agri-footprint database created by Blonk Consultants and other experts. Although the LCA methodology proposed by LEAP and the set-up of the Agri-footprint database is solid and science-based, the method itself is only as strong as the data introduced to the model.

At this moment, the parameters introduced to the model are generic in nature (default values) and there is no distinction between regions in producing countries. In addition, there is no distinction between sustainable production methods and conventional farming methods. Farmers, farmer groups and companies in the feed chain can at the moment not really distinguish themselves with a low CO2-footprint, despite the efforts they take to lower this footprint. That is why SFAP is working with its farmer groups to change this and make their specific CO2-footprint visible in a trustworthy and verified manner.

Our approach

The CO2 footprinting calculation used by SFAP is based on two inputs: crop input data and satellite images. The later is important since for land that was converted more than 20 years ago, no Land Use Change (LUC) is included in the calculation – this in line with the FAO-LEAP approach.

By including SFAP's local experts and extension workers, an independent inspection body and an independent expert in LCA-methodology, SFAP is able to create a very accurate picture of the CO2-footprint of the certified farmer group(s); both on LUC and crop input data.

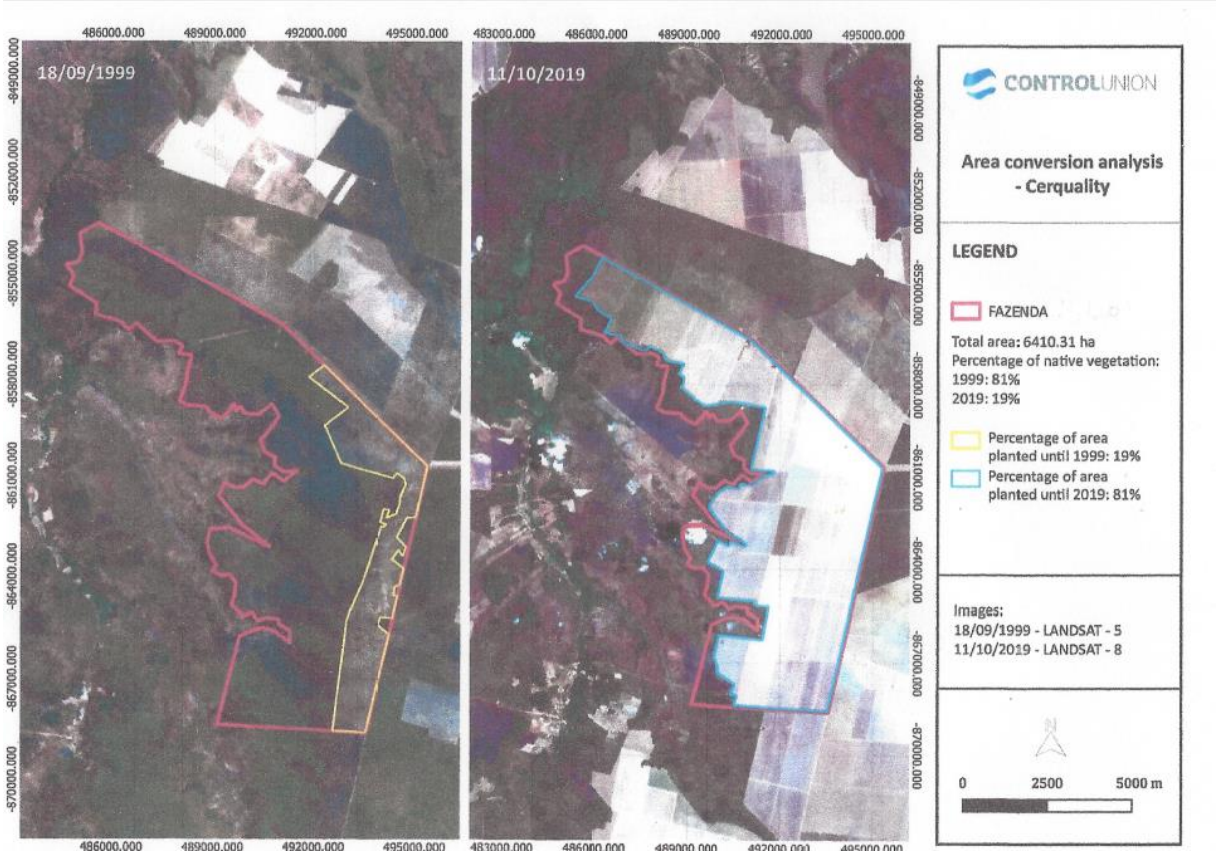
The next section elaborates on the method used:

Data collection

Farmers in the SFAP farmer group(s) are requested to fill in a detailed survey about their production practices (e.g. agrochemical use, fossil fuel use) for each specific crop. The questionnaire is very detailed in order to obtain a thorough understanding of the practices on the ground. The survey protocol is created by Blonk Consultants and the answers of the farmers are verified by our regional experts based on their experience in the specific region. By taking the average of the individual farmers in the group, a solid picture of that farmer group is established.

In addition to the specific production data of the farmers in the farm group, official land change satellite images (Landsat) are analyzed to compare the situation of 20 years ago with the present situation. Control Union is responsible for the comparison of the old and new satellite images and for issuing a statement of non-conversion. The 20 years limit is introduced by the FAO-LEAP method.

If conversion took place more than 20 years ago, the negative impact on the environment (Land Use Change Contribution) is not included into the calculation.



Example of satellite images of 1999 compared to 2019. In 1999, 19% of farm land was used for production and in 2019 this increased to 81%. Only the 19% may be used under the positive LUC provisions.

Data renewal process

The questionnaire on farm inputs used will be updated every 4 years, unless there are reasons to do so sooner. SFAP's local experts will keep track of changes in production practices that might result in a lower or higher footprint.

The data on land use change will be updated on an annual basis. Due to the rolling deadline of 20 years, it can be that for certain lands the exclusion of the Land Use Change Contribution becomes applicable. The land use change data must also be updated if the producer group changes of composition. In the situation of changes within the producer group, the new Landsat maps will be collected, assessed and verified. The area calculation will be changed according to this new data.

Translation of the data into a verified CO2 calculation

Blonk Consultants will be responsible for the calculations of the CO2-footprint using the crop input data of the farm group and the verified satellite maps of the producers within the SFAP producer group. The calculated CO2 values for SFAP soy will be added to the Agri-footprint database as recognisable 'Branded SFAP soy'. GFLI is currently finalising the rules for adding Branded data into the GFLI database.

Note that by using the average data for the farmer group, the CO2-footprint for all farmers is in principle the same. With as the main exception the fact that only the acres that have been converted into production land more than 20 years ago qualify for the lower CO2-footprint. In practice this may result into two different CO2-footprints per farmer group per crop.

Adding the LCA data to the Agri-footprint & GFLI database

Companies are requested to make use of the verified data from official and recognised databases for their CO2 calculations. GFLI is creating a database building up on existing databases (such as Agri-footprint). Currently, the data in the GFLI database is generic in nature and default values for different production countries are included. GFLI is in the process of identifying the rules for adding and accepting branded data to their own database. The Agri-footprint database already includes branded data.

Agri-footprint database
At this moment, SFAP CO2 data has been added to the Agri-footprint database as so called 'Branded data'. That means that claims can be made referring to the Agri-footprint database, both with and without Land Use Change and based on specific crop input data of the SFAP farmergroup(s). Companies investing in SFAP-certification with verified CO2-statement can already make claims referring to Agri-footprint database .

GFLI database
GFLI is working on rules to add 'Branded data' to their official database as well. This is work in progress. That means that the SFAP specific farmer group data is not added to the GFLI database yet. Users of the verified CO2-statement who want to base their claims on the GFLI database can not use the specific SFAP farmer group data. However, when they have a verified SFAP-CO2 statement **without land use change**, they can use the **default values for Brazil excluding Land Use Change.** Which already results in a significantly lower CO2 footprint.

Obtaining a verified CO2-statement

The verified CO2-statement is always linked to the SFAP-non conversion certificate. SFAP believes that the efforts of farmers within the SFAP programme in the area of responsible agricultural production, in addition to their commitment to non-conversion, make that they have a low CO2-footprint. That is why the verified CO2-statement is always linked to the farmer groups under SFAP with whom there is a long-lasting relation.

Companies that invest in SFAP-non conversion certificates and use the Book and Claim or Area Mass balance supply chain model, can obtain the verified CO2-statement on top of their normal certificate. The statement is coupled to the farmer groups under the SFAP programme. A subset of the full area owned by the SFAP farmer group qualifies for an extra low CO2-footprint. That means that for areas that are converted at least 20 years ago, no Land Use Change Contribution is counted.

Roles and responsibilities

The following roles and responsibilities are defined in the process of arriving at a verified CO2 statement.

Producer group

The SFAP producer groups are managed as derived in the SFAP standard document. There is a Group Manager, an Internal Control System and all producers follow the criteria from the SFAP programme.

The scope of the verified CO2 statement will be the same SFAP producer group, whether it is a single group or a combination of more producer groups managed by the same Group Manager. In addition to the tasks of regular SFAP certification, the roles and responsibilities are as follows:

- The Group Manager is responsible for distributing the survey and helping the producers to fill in the survey.
- Individual farmers fill in the survey (self-assessment)
- The Group Manager collects the surveys and checks the quality of data obtained from the producers.
- The Group Manager sends the data to the SFAP secretariat.

Inspection body

On top of the standard SFAP verification activities, the Inspection Body will also:

- Gather the Landsat maps for the specific farm for the current year and 20 years ago.
- Evaluate the Landsat maps and determine the conversion percentage for each year.
- Determine whether or not all land conversion took place more than 20 years ago.
- Sent the verified Landsat maps to the SFAP secretariat.

LCA expert

The LCA-expert Blonk Consultants will:

- Process the data obtained from the SFAP-secretariat (both production data and satellite images).
- Make the CO2-calculations for the specific SFAP producer group(s).
- Add the data for the specific SFAP producer group(s) to the Agri-footprint database database (the Branded Data)

SFAP

The SFAP secretariat will:

- Initiate the data collection at the level of the Group Manager.
- Instruct the inspection body.
- Send the specified crop input data and Landsat data to the LCA-expert.

- Follow developments in GFLI.

Management of the verified CO2 statement

The verified CO2-statement is an additional piece of information that SFAP offers to the buyers of the Book & Claim / Area Mass Balance certificates. Buyers of these certificates can obtain the right to use the LCA-information for a volume corresponding to the volume on the Book & Claim / Area Mass Balance certificate.

For part of the volume produced under the SFAP program, a lower CO2-statement can be provided (linked to the conversion date and hence the Land Use Change rule). That means that for part of the Book & Claim / Area Mass Balance certificates a 'normal' footprint can be obtained and for another part a 'low' footprint can be obtained. The Certification Body will keep track of the total volume under the 'normal' and under the 'low' footprint.

The total acreages for which a CO2-statement can be calculated is based on the total acreage grown with the agri-commodity in scope (at the moment especially soy and maize). The calculated area without LUC will be allocated primary to the agri commodity in scope. The remaining area will be the area with LUC of the agri commodity in scope.

Validity of a CO2 Footprint Certificate of Origin

The final buyer of the verified CO2 statement can use the statement in the calendar year in which it is obtained.

Registration of verified CO2 statements

The Certification Body will register volume certified, volume under Book & Claim / Area Mass Balance certificates transferred to the scheme owner, volume under Book & Claim / Area Mass Balance certificates transferred to end-users, fraction of Book & Claim / Area Mass Balance certificates with a CO2 footprint, divided over statements with and without Land Use Change.

That means that on a yearly basis, the Certification Body will issue to the scheme owner:

1) A statement of total volumes under the CO2-statement without and with LUC.
2) A certificate transfer statement on the total volumes transferred to individual end-users (this on initiative and volume indication of ProAgros), including the fraction of certificates (and corresponding volume) that have an additional verified CO2-statement (with and without LUC).
3) The amount of CO2-statements including LUC and the amount of CO2-statements excluding LUC – this on initiative and volume indication of ProAgros

Ownership

The SFAP-programme is owned by ProAgros. The first version of the SFAP-programme was created in 2017. The programme is revised every two years (or more often if necessary) to guarantee alignment with international developments and global priorities in responsible agricultural production. The programme has been benchmarked by ITC against the FEFAC Soy Sourcing Guidelines and is ranked in the top 3 of most credible approaches for deforestation free soy by Profundo.

ProAgros is a company that works for several large and small players in the agricultural commodity production chain. ProAgros offers supply chain solutions that are also well accepted by farmers to the market. ProAgros developed *Sustainable Farming Assurance Programme Non Conversion®* in close cooperation with local experts that have a vast experience in working with and managing farm groups. These experts add local farmer knowledge to the programme.

The aim of the programme is to help farmers prove in a credible and cost-efficient manner that they are producing in line with legal requirements and internationally accepted standards for responsible production. And thereby also creating market access to companies / countries that have certain additional sustainability requests and demand solid verification of the sustainability requests.

ProAgros is:

- Owner of the programme
- First contact organization for the programme
- Market facilitator: finding groups of farmers who want to certify and connecting them with supply chain partners who want to buy certified material (Book & Claim incl. Regional Credits)
- Issuing licences to partners who will certify farmers against the programme
- Responsible for the quality of the programme (e.g. by training auditors to execute the programme correctly etc.)

ProAgros will select a limited number of certifying bodies who obtain the right (license-system) to execute certification of farmers against the *Sustainable Farming Assurance Programme Non Conversion®*. These certifying bodies are the prefered partners of ProAgros, and must meet a number of requirements. Certifying bodies qualify when:

- The organisation has an extensive experience with sustainability certification in agro-food chains and works in accordance with the relevant ISO-norms (e.g. 17065, 17021, 17011) and is accredited by a national accreditation organisation affiliated with the IAF.
- The organisation has a broad international experience and is present in the main producing areas: Latin-America, North-America and Eastern Europe
- The organisation is operating independently and is not (in part) owned by a farmer's organisation, trader, food or feed company.

License owner:

License owners pay a fixed yearly fee to ProAgros to obtain the right to certify farm groups against the *Sustainable Farming Assurance Programme Non Conversion ®*. In addition to the fixed fee, the license owner pays a fee per ton of certified material. License owners can certify groups of farmers on request of diverse supply chain actors (farmer cooperatives / farm groups, traders, feed companies etc.). Both the license owner and ProAgros are free to acquire new farm groups (supply) and customers (demand).

The license owner:

- Is the contact point for an organisation who wants to certify a certain supply shed
- Is the contact person for the group manager that wants to apply for group certification on behalf of all group members
- Verifies the robustness of the internal control system of the group
- Audits a number of farmers based on the risk based decision rules for sampling
- Handles complaints or questions of farmers about the certification procedure or audits
- Dealing with non-conformities conform the procedures described in the relevant documents document.

Disclaimer

- The SFAP program is exclusively to be used by ProAgros and its SFAP license holders; like farm group management- and certification companies.

- Certificates to be issued exclusively by ProAgros after verification of the farm (group) by a SFAP licensed Certification Body.

- Certification registration will be done exclusively by or on behalf of ProAgros.

Document: “SFAP Verified CO2-statement
Version 6.1 dated 1/6/2020”