Role of Indian Standards for Sustainable Soy in Soy Value Chain


Dr Suresh Motwani, Programme Head,

Vegetable Oils, Solidaridad

International Soy Conclave 2024, Indore, India

SOLIDARIDAD: PIONEER ORGANIZATION IN SUSTAINABLE SUPPLY CHAIN DEVELOPMENT SINCE 1969

WE WORK THROUGHOUT THE WHOLE SUPPLY CHAIN TO MAKE SUSTAINABILITY THE NORM

WORKING IN 52 COUNTRIES WORLDWIDE

OVER 55 YEARS OF EXPERIENCE IN WORKING TOWARDS PROMOTION OF SUSTAINABILITY SOLUTIONS

Solidaridad

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From Fair Trade to National Standards: Solidaridad was the initiator or co-initiator for last 5 decades

Consumers

Companies

Sectors

National Standards

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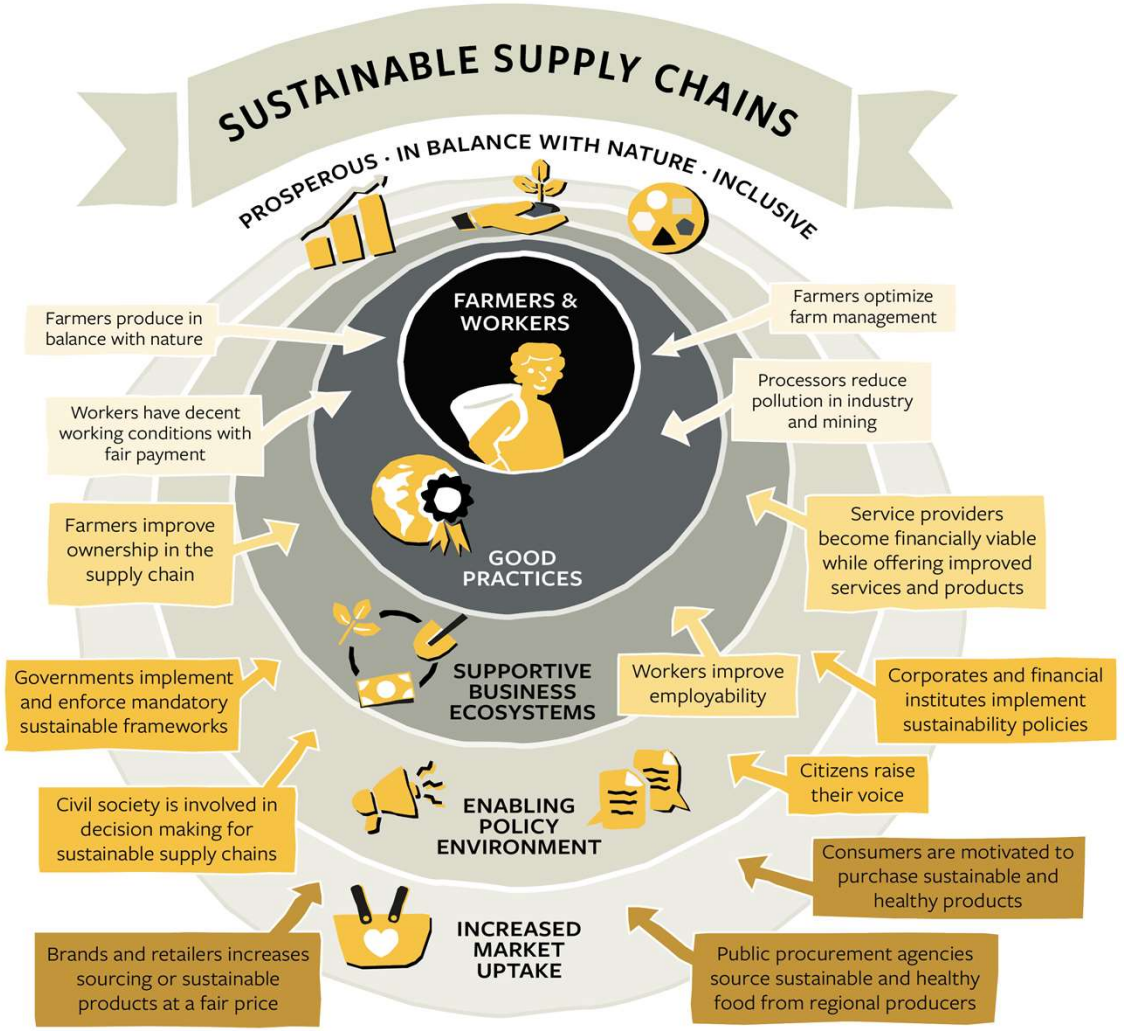
IMPLEMENTATION STRATEGY

SUSTAINABLE SUPPLY CHAINS THROUGH FOUR INTERCONNECTED LEVELS



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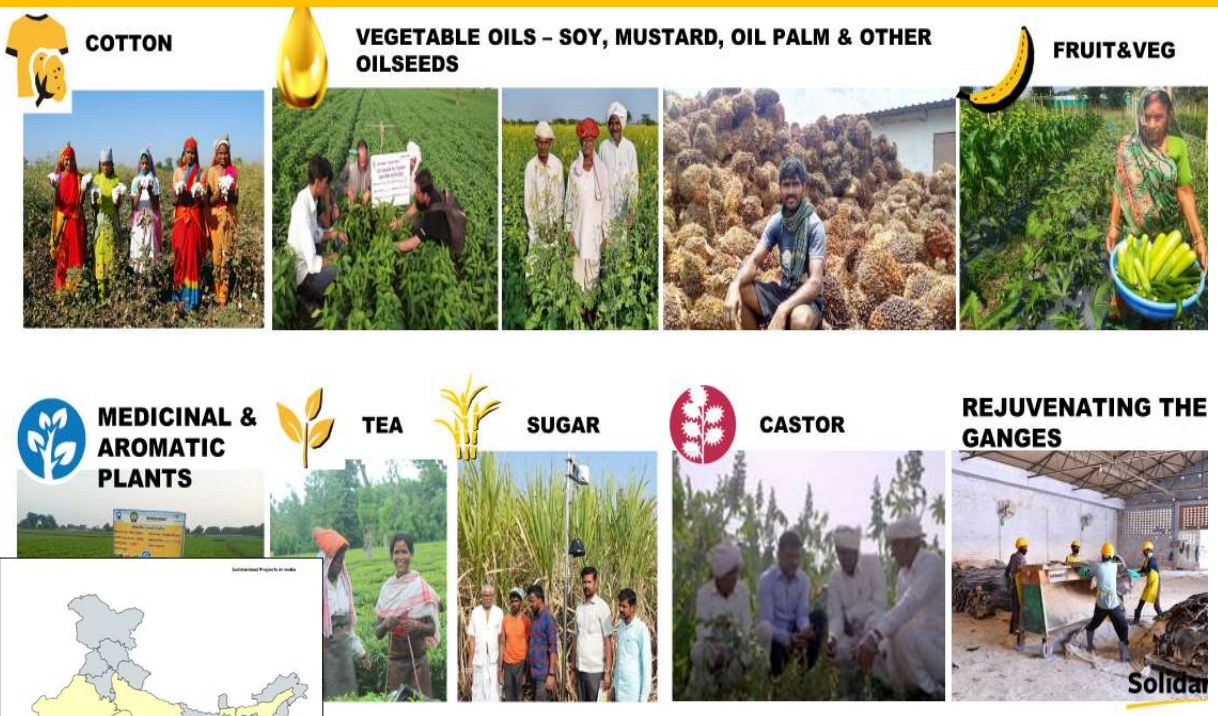
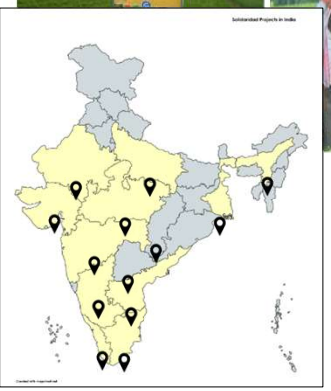
Solidaridad Promotes Sustainable Supply Chain Across Various Agri Commodities in India



- We are recognized as knowledge resource agency for sustainability solutions in the vegetable oil sector in the country
- We work towards improving supply chain efficiency and inclusivity of farmers in the supply chain through Farmer Producer Organizations (FPOs)
- We are expert in on-ground implementation of public-private partnerships programmes for sustainable agriculture and livelihood of smallholder farmers



- We are working with around 1.5 million farmers Across Various Cropping Systems in 15 States of India and preparing them for Regenerative & Climate Smart Production

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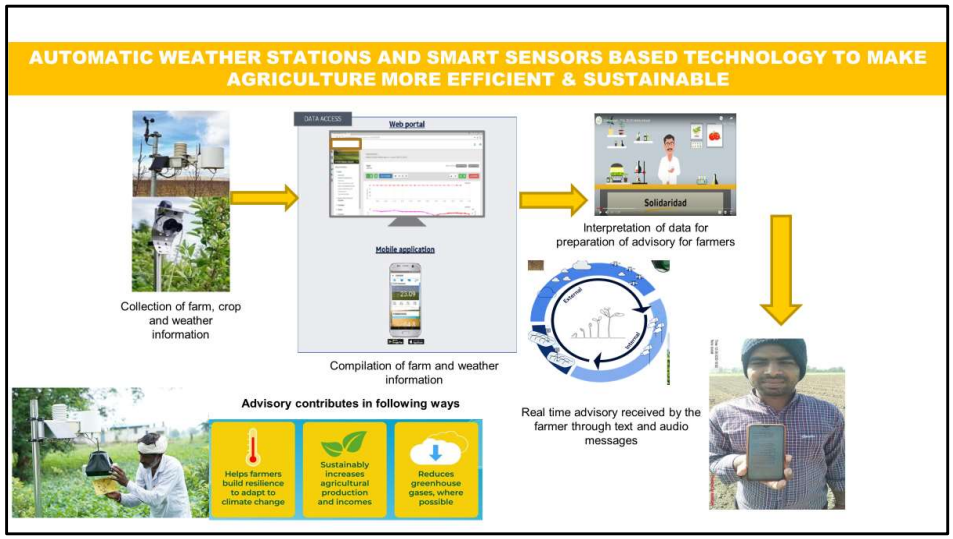
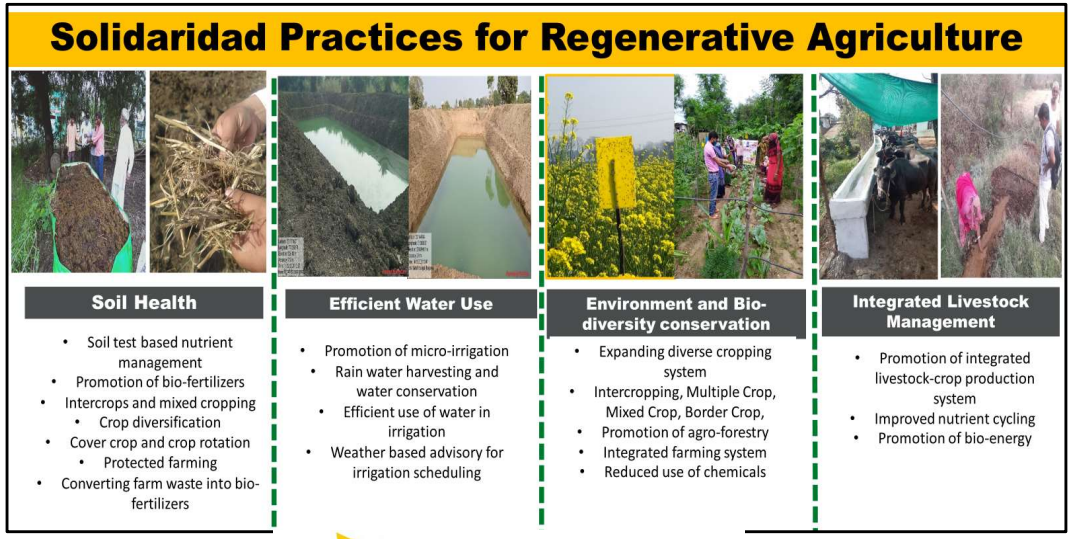
IoT based Solutions and Regenerative Agriculture to Build Climate Resilience





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Smart Agri Hub
Knowledge | Information | Training
BHOPAL, MADHYA PRADESH

SMART AGRI Hub facilitate the convergence of scientific data using disruptive technologies such as mobile/cloud computing, Internet of Things (IoT) etc. Team of experts is engaged for monitoring, assessment and generation of real-time advisories and technical knowledge support

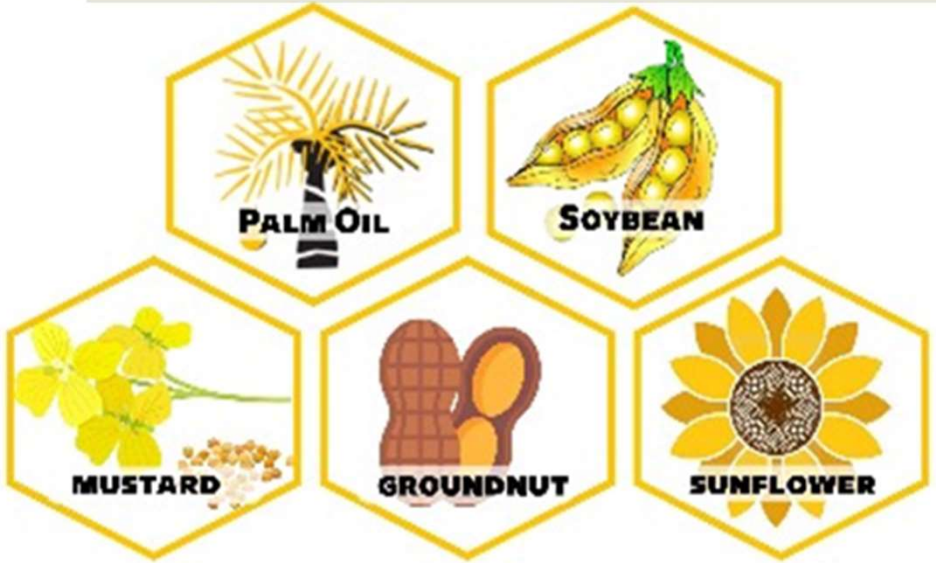
NICO ROOZEN
International Centre of Excellence for
REGENERATIVE AGRICULTURE

The International Centre of Excellence for Regenerative Agriculture has been established in Madhya Pradesh, India for large scale promotion of regenerative agriculture.

आत्मनिर्भर भारत

India Sustainable Veg Oil Mission

Key Veg Oil Commodities



Supporting Honourable Prime Minister's Mission to Make India 'Atmanirbhar' in Edible Oils

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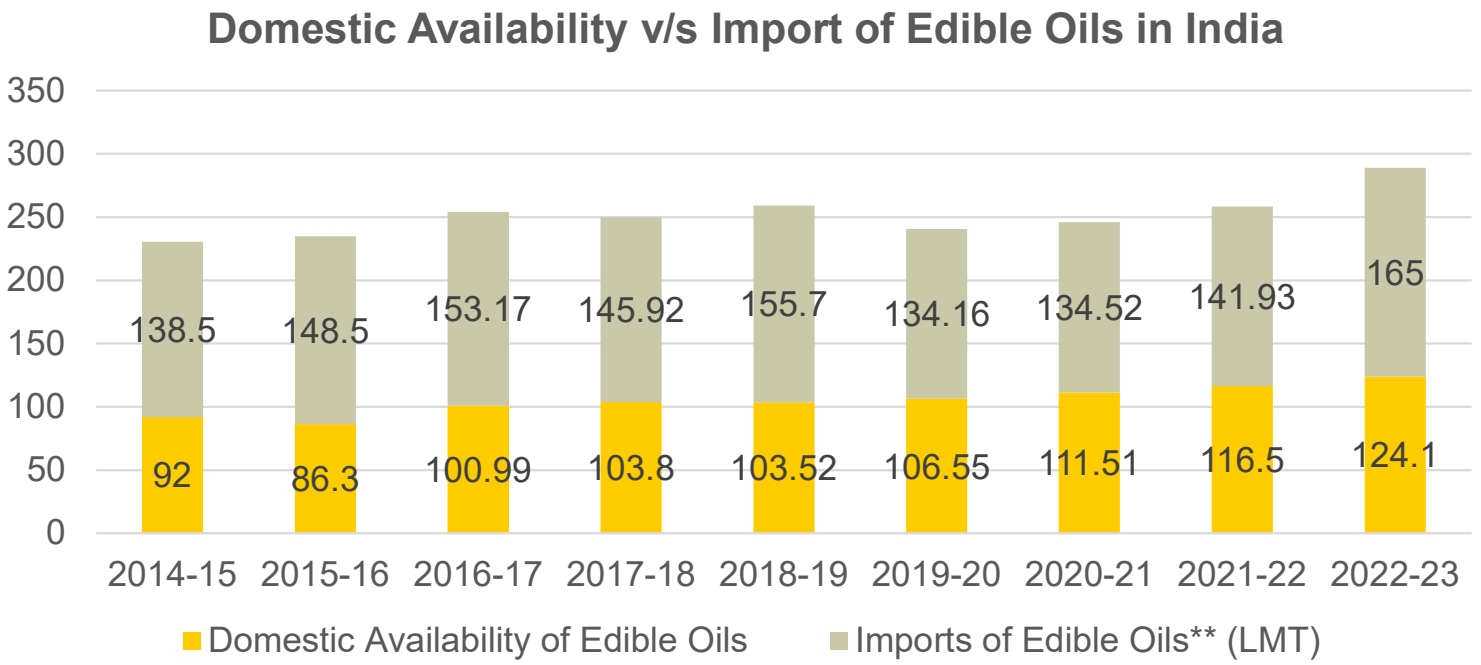
India: Edible Oil Demand and Supply Scenario



Oil Year (Nov-Oct)	% Self sufficiency	% Share of imports
2014-15	40	60
2015-16	36.8	63.2
2016-17	39.7	60.3
2017-18	41.6	58.4
2018-19	40	60
2019-20	44.3	55.7
2020-21	45.3	54.7
2021-22	45.1	54.9
2022-23	42.92	57.07

- **India's self-sufficiency in edible oil production is approximately 43%**
- **57% of edible oil is imported from other countries**

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Importance of Edible Oils in the Country's Economy

- **Essential part of the Indian diet and Key for Food Security:** Edible oils are integral to Indian cooking, with almost every household using oil in daily food preparation, contributing significantly to food security and nutrition.
- **Major import commodity:** India is one of the largest consumers and importers of edible oils, making it a crucial component of the country's import basket and trade balance.
- **Key for livelihood of millions of Farmers:** Oilseeds play an important role for livelihood of millions of farmers and employment opportunities.
- **Boost to agro-industries:** Significant contribution in India's agro-based industries, from farmers growing oilseeds to processing, refineries and retailers.
- **Role in Value Chains:** The edible oil industry supports integrated value chains (oil extraction, food processing and allied sectors like livestock feed, contributing to broader economic growth)
- **Government's Ambition towards Self-sufficiency:** The government's focus on "Self-sufficiency in Edible Oils" highlights the strategic importance of edible oils in economic planning.
- **Impact on inflation:** As a staple commodity, edible oil prices significantly influence food inflation and overall price stability in the economy, affecting consumer spending and economic growth.

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OVERVIEW: SOY SECTOR

- ***Soy due to its versatility and nutritional benefits known as the "king of beans". Soy is fastest expanding crop worldwide: production doubled since 1995***
- ***As a significant agricultural commodity, soy constitute over 10% of the total value of global agriculture trade***
- ***The global soybean sector has experienced rapid growth in the past 5 decades and is now worth USD 155 billion. It is projected to reach USD 278 billion by 2031***
- ***India is the world's fifth largest producer of soybean and soybean oil (behind Brazil, USA, Argentina and China), contributing 3.72% and 2.14% of the global market share, respectively***
- ***Among nine major oilseeds, soybean leads with 34% of the total oilseed production, followed by rapeseed & mustard (31%) and groundnut (27%), contributing to more than 92% of total oilseeds production. This underlines the dominance of soybean, rapeseed-mustard, and groundnut in India's oilseed production***
- ***Madhya Pradesh, Maharashtra, and Rajasthan account for 92% of India's soybean production***

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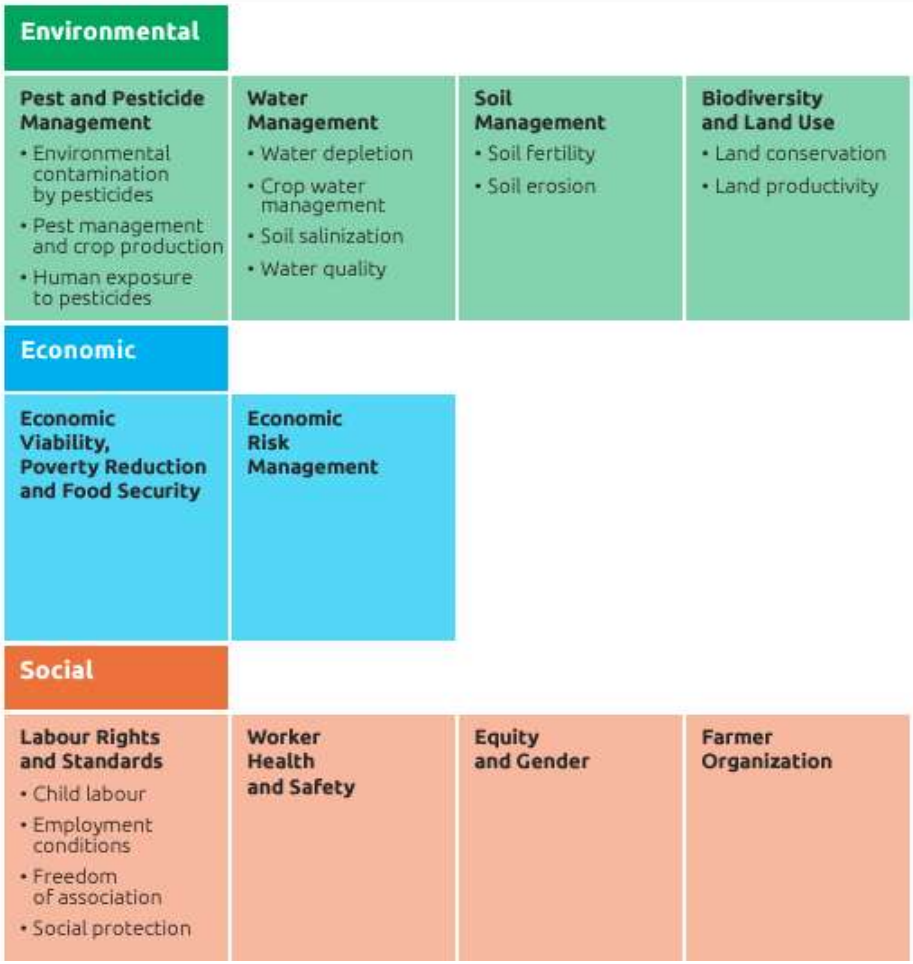
KEY SUSTAINABILITY ISSUES IN SOY SUPPLY CHAIN IN INDIA



1. Technological Constraints and Huge Yield Gap: There is still scope of improvement in development of high yielding varieties coupled with appropriate production technologies suitable to different regions.

2. Socio–economic constraints: The low income and investment capacities of smallholders on various resources, pricing, market linkages as well as gender related constraints.

3. Environmental Constraints: About 72% area of oilseeds fall under rainfed farming where biotic threats (diseases) and climate vagaries cause severe damage to crops.

4. Infrastructural constraints: Majority of the Vegetable Oil extraction industries are operating on 40-50% capacity (due to poor supplies they are un-able to utilize the full capacity).

5. Adoption Gaps of Recommended Agronomic Practices: There is huge gaps in the adoption of recommedned agronomic practices.

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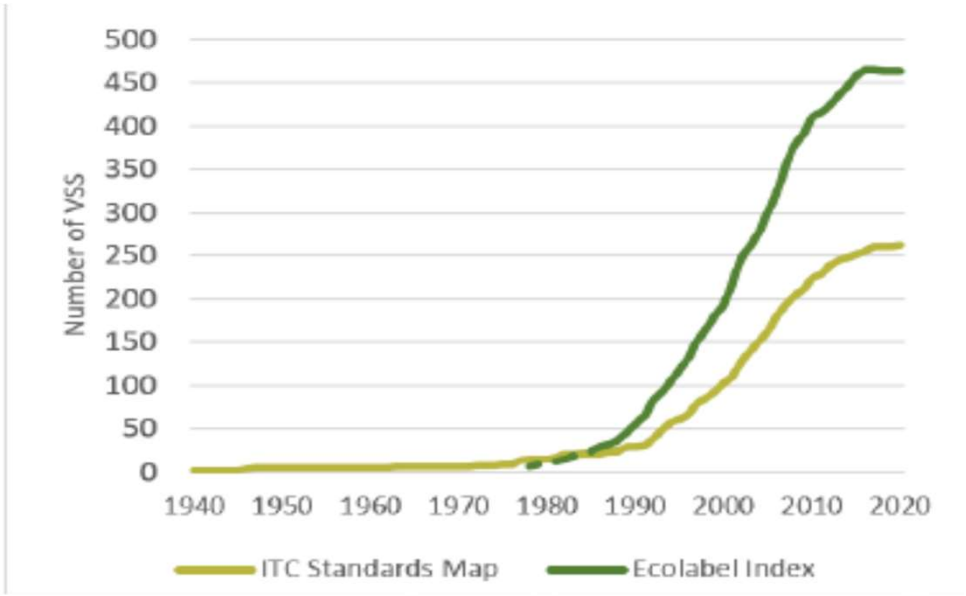
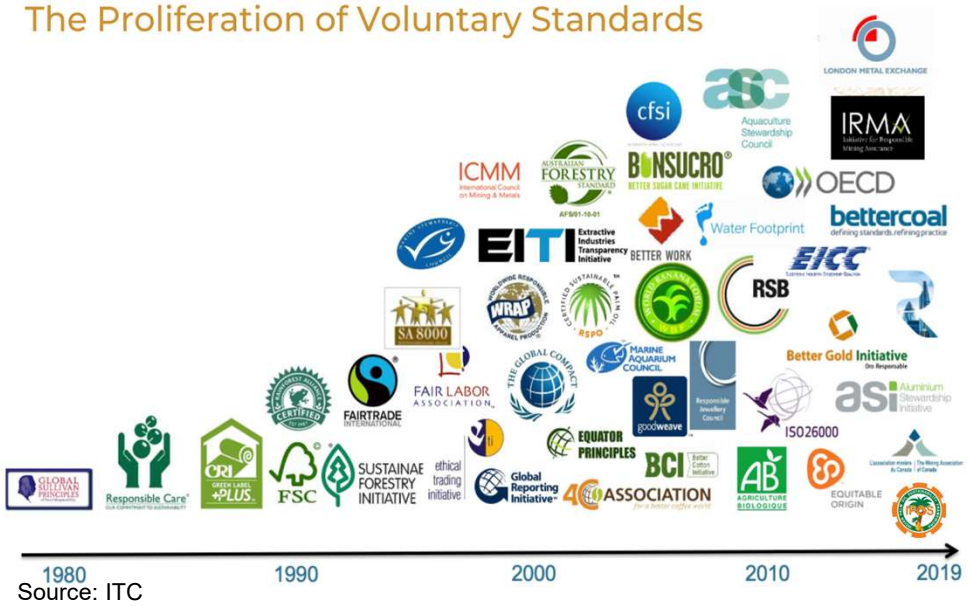
EMERGENCE OF SUSTAINABILITY STANDARDS IN AGRICULTURE

- ***Hundreds of sustainability standards have emerged over the last three decades as market tools that enhance sustainable development in the agriculture sector***
- ***Sustainability standards first came to the forefront in the 1980s, with standards like Organic (IFOAM) and the Rainforest Alliance***
- ***The first VSS with global reach was launched in the fields of agriculture, forestry, as well as in the fair-trade arena***
- ***VSS are widely used to govern environmental, social and ethical issues in global supply chains***

Evolution of Number of Standards





Source: ITC

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SUSTAINABILITY STANDARDS FOR SOY IN GLOBAL MARKET

There are around 70 soy certifications.

- ❑ Majority of soy sustainability certification systems are often not independent
- ❑ One major issue with many of the soy certification systems is that they are run by the soy traders themselves rather than an independent body

Amaggi Responsible Soy Standard

Cargill - Triple S Program

Louis Dreyfus Company (LDC) program for Sustainable Agriculture

FEFAC Sourcing Guidelines

ADM Responsible Soybean Standard

U.S. Soy Sustainability Assurance Protocol (SSAP)

Certification	Owner
RTRS	RTR
ProTerra	The ProTerra Foundation
ISCC + (International Sustainability & Carbon Certification)	ISCC
Europe Soya & Donau Soja	The Donau Soja Association
U.S. Soy Sustainability Assurance Protocol (US SSAP)	U.S. Soybean Export Council
Certified Responsible Soya (CRS)	Celetra
Responsible soybean standard	ADM (Archer Daniel Midland)
Bunge Pro S	Bunge
Cargill Triple S	Cargill
Amaggi Responsible Soy (ARS) standard	Amaggi

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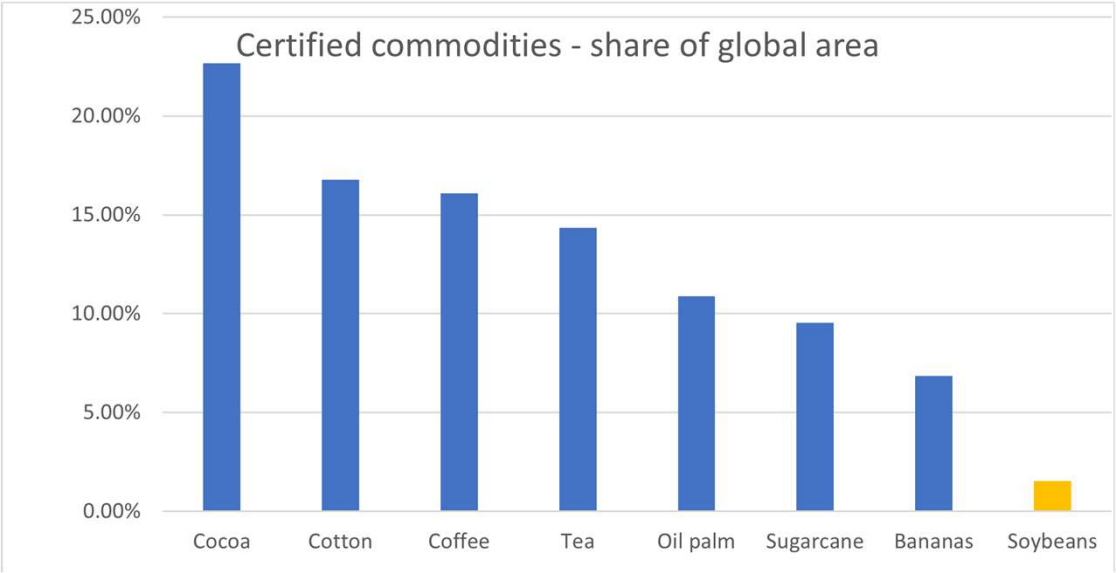
VOLUNTARY SUSTAINABILITY STANDARDS COMPLIANT SOY IN GLOBAL MARKET



According to IISD study, globally less than 3% of soybeans are produced in compliance with sustainability standards

Note: Conventional production volumes do not comply with a VSS, while VSS-compliant production volumes refer to cotton produced in compliance with at least one VSS. Production volumes that are defined as potentially VSS compliant cannot be definitively identified as conventional or VSS compliant with the data currently available.

Source: FiBL-ITC-SSI survey 2021

INDIAN STANDARDS FOR SUSTAINABLE SOY- ISSS

A group of 10,151 farmers are prepared and successfully certified by the third-party audit agency under the Indian Standard for Sustainable Soy (ISSS)

TIMES OF INDIA

THE TIMES OF INDIA , INDORE | MONDAY , 16 DECEMBER 2019

New framework to enhance productivity of soyabean

Government Nod Will Be Sought For Implementation

DIVIDENDS OF THE INITIATIVE

- Will bridge yield gap through sustainable crop production practices
- Increase average productivity in India that hovers around 1 tonne per hectare to around 2 tonne per hectare
- Will make use of latest technology and best agricultural practices
- Enhance domestic availability of edible oils through higher production of soya and enhance livelihood of farmers
- Decrease dependency on imports of edible oils

Times News Network

Indore: Soybean Processors' Association of India (SOPA) in collaboration with Indian Institute of Soybean Research and an international civil society organization headquartered at The Netherlands is working on developing a framework aiming at enhancing soy productivity, global trade and competitiveness in the international market.

A team of experts are looking at advantages and pain areas at regional level from cultivation to trade to come up with Indian standards for sustainable soy that is aimed at doubling farmers' income and make India self-sufficient in edible oils. India is fifth largest producer of soyabean and stands fourth in total area coverage globally but has very low productivity in comparison to other producing countries. "Indian standards for sustainable soy can be instrumental in transforming domestic soy sector. Development and implementation of such national sustainability standards for soy will provide potential opportunity to contribute towards addressing issues of productivity enhancement, smallholders' livelihood security and related sustainability challenges" said DN Pathak, executive director, SOPA.

Madhya Pradesh is largest soybean producing state in the country with several large exporters of soybean meal operating from financial capital of state, Indore.

The committee of experts is collecting region-wise data on soybean cultivation and the ready framework will be then presented to government for implementation at ground level by means of government agencies, farmers group, social organisations and processors.

Suresh Morwani, regional manager, soy and palm oil at the international civil society organisation working on sustainable supply chain said, "The Indian standards for sustainable soy would potentially address key sustainability concerns of Indian soy sector while fulfilling commitment of Indian soy industry towards sustainability." Morwani said this framework will potentially help in achieving sustainable production, social well-being, economic growth, sustainable business performances and ecosystem conservation.

Experts said sustainable measures will boost soyabean trade by improving exports and quality of produce.

- ❑ Solidaridad is working with over **200000 Soy farmers** in the state of Madhya Pradesh and Rajasthan
- ❑ **Well established field training centers, offices** and farm field schools across 20 districts of both states; **(200 extension experts and team members)**

INDIAN STANDARDS FOR SUSTAINABLE SOY- ISSS

- ISSS is India's own soy certification systems; developed by the Indian industries and stakeholders
- It is run by an independent body i.e. SOPA ISSS Council rather any individual soy business

Key Advantages of ISSS Certification

- ***Cost effectiveness***
- ***Adapted to local conditions, requirements, laws and legislations***
- ***Enhance international competitiveness of Indian Industries***
- ***Aligned with Government's priorities, policies and agenda***
- ***Aligned with global sustainability and similar other requirements like EUDR***

INDIAN STANDARDS FOR SUSTAINABLE SOY

PRINCIPLES, CRITERIA & INDICATORS

Consists of 6 principles	Criteria	Indicators
Principle 1. Sustainable Crop Production Practices (SCPs)	9	28
Principle 2. Comply with the Law	3	7
Principle 3. Community Protection and Dignified Farm Workers Promotion	4	19
Principle 4. Conservation and Restoration	4	15
Principle 5. Good Business Practices	4	9
Principle 6. Continuous Improvement and Transparency	3	7
Each Principle consists of Criteria and each Criteria consists of verifiable Indicators	27	85

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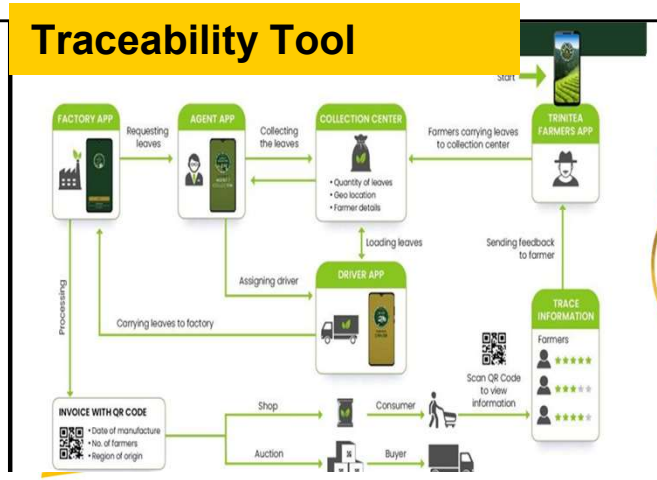
ISSS Provides Supply Chain Traceability Solution & Direct Farmers Sourcing Models

WE USE DIGITAL TRANSFORMATION
TO SERVE FARMERS AND VALUE CHAIN PARTNERS

Traceability Tool



Facilitating Direct Industry – Farmers Linages for Sourcing of Sustainable/Regenerative Produce

Procurement Centre for direct procurement from farmers/Market Linkage

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WHY SUSTAINABLE SOY – ISSS IS IMPORTANT FOR INDIA

- ***ISSS is a very strong step forward in the direction towards solving the sustainability issues in the Soy sector in India (ISSS is developed by the Indian Industries and for the Indian Industries considering the local conditions and realities)***
- ***Adoption of ISSS would strengthen the role of India in driving sustainability in the sector and mitigate the associated sustainability risks***
- ***ISSS being an unified sustainability standard would reduce duplicity, huge efforts and cost involved in different sustainability certifications***
- ***ISSS would provide sustainability framework for effective implementation of National Mission on Edible Oil-Oil Seeds***
- ***Sustainably produced Soy would help to protect the environment and better social conditions of producers and workers***

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RECOMMENDATIONS

TO BOOST THE UPTAKE OF SUSTAINABILITY STANDARDS

1. ***A Smart mix of measures - legislation, voluntary initiatives, supporting government policies are needed for increased adoption of sustainability***

2. ***Integration of ISSS with the NMEO-Oilseeds for sustainable production and expansion***

3. ***Robust mechanism for Credibility and Transparency in the implementation and certification process***

4. ***Incentive mechanism is needed for increased uptake of national sustainability standards***

CHANGE
THAT MATTERS

Questions/Suggestions/Additional Information

suresh@solidaridadnetwork.org

solidaridadnetwork.org

@solidaridadnetw

/company/solidaridad

/solidaridadnetwork

/solidaridadnl