



Sustainability White Paper

Compiled by

**Southern Hemisphere Association of Fresh Fruit Exporters
(SHAFFE)**

January 2022

Authors:

Gabriel Wasserman (Argentinian Blueberry Committee)
Jorge de Souza (Abrafrutas Brazil)
Ricardo Adonis (Chilean Fruit Exporter Association / FDF)
Gary Jones (New Zealand Apples and Pears)
Paul Hardman (Citrus Growers Association South Africa)
Marta Bentancur (Upefruy Uruguay)

Coordination:

Nelli Hajdu (SHAFFE Secretary General)
Charif Christian Carvajal (SHAFFE President / Chilean Fruit Exporter Association)



Thank you note

The SHAFFE Sustainability White Paper is the result of the month-long work and dedication of the members of the SHAFFE Sustainability Task Force, comprised of Gabriel Wasserman (Argentinian Blueberry Committee), Jorge de Souza (Abrafrutas Brazil), Ricardo Adonis (Chilean Fruit Exporter Association/FDF), Gary Jones (New Zealand Apples and Pears), Paul Hardman (Citrus Growers Association South Africa) and Marta Bentancur (Upefruy Uruguay).

The SHAFFE Presidency team and the SHAFFE secretariat would like to thank the group for the continuous dedication and effort to create a united Southern Hemisphere perspective and roadmap on sustainability, which will guide us for the upcoming months and years to secure a strong and resilient Southern Hemisphere fresh produce industry.

We would like to further thank our external guests, Mr. Philippe Binard (Secretary General of Freshfel Europe), Mr. Ed Treacy (Vice-President of Supply Chain and Sustainability), Mr. Kurt Huang (Deputy Secretary General of the Fruit Branch of the China Chamber of Commerce for Food Stuffs and Native Produce), and Mr. Kristian Möller (CEO, GLOBALG.A.P.) for their much-appreciated efforts, in briefing our task force about the most important developments in the area of sustainability in their regions and areas of concern. These contributions have completed the Southern Hemisphere sustainability perspective.



Executive Summary:

The following White Paper represents the culmination of the dedicated work of the SHAFFE Sustainability task force, a group of professionals from both technical, commercial, and academic backgrounds, pertaining to country members of growers and exporters from the Southern Hemisphere.

The purpose of this task force was to identify the main perspectives of the Southern Hemisphere fresh produce industry in relation to the concept of Sustainability, raise awareness of those actions currently being implemented, constructively voice the concerns affecting the region, propose proactive solutions and define a road map for which the Southern Hemisphere Association of Fresh Fruit Exporters may focus its efforts in facilitating the understanding and compliance of sustainable practices.

During the process of elaborating the current document, it became evident that whilst members diverged in their approaches and understanding of sustainable actions and initiatives - the regions growers and exporters of fresh produce are united by a unique definition of what sustainability entails and which fundamentally includes a process that is economically viable for growers, safeguard the unique characteristics of the Southern Hemisphere fruit industry and contribute to the health and well-being of its workers and consumers across the globe.

Based on this common understanding, the taskforce has identified 10 common opportunities and challenges facing the regions growers and exporters - each one being as important as the other.

- Preserving the ecosystem
- Water
- Biodiversity conservation
- Carbon emissions and trade
- People
- Measuring and reporting of sustainable practices
- Capacity building in education and communication
- Financing, investments, and economic viability
- Public Private Partnerships
- Harmonization of external sustainability requirements

Based on the identification of these common denominators, the main recommendations of this paper include to include in the entities 2025 strategic plan the following fundamental elements:

- Enable future capacity building through the creation of the virtual SHAFFE Sustainability Hub, a platform which will support, promote, and facilitate capacity building and education.
- Monitor media and industry bodies for those topics and issues that may be of relevance to the sector.
- Promote and facilitate the access to recognized reporting and measuring tools in relation to Sustainability requirements
- Facilitate the development of harmonized sustainability requirements.
- Promote and foster collaborations between key public and private stakeholders in the sustainability field in benefit of the Southern Hemisphere members



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2 Introduction: Sustainability from a Southern Perspective

Sustainability is an important challenge and opportunity for the global fresh produce sector and its ramifications and impact on the supply chain have become ever more evident for producers and exporters from the Southern Hemisphere.

Changing environmental, social, and economic conditions have already led to many industry-driven initiatives to secure sustainable production conditions for Southern Hemisphere fruit in the long-term. With the creation of multiple sustainability certifications, the growing environmental demands of international retailers and distributors, as well as the development of new government green policies across the globe, fresh fruit producers and exporters have had to adapt to changing demands.

In this context, the current White Paper has the objective of summarizing the main perspectives of the Southern Hemisphere fresh produce industry and constructively contributing to this relevant issue which has and will continue to have important repercussions. The White Paper documents the process, objective, findings, and priority actions identified by an industry led and membership driven task force.

Who are we? SHAFFE is the Southern Hemisphere Association of Fresh Fruit Exporters and represents the trade associations of eight of the leading Southern Hemisphere fruit producing and exporting nations. SHAFFE members include representatives from private industry entities in Australia, Argentina, Brazil, Chile, New Zealand, Peru, South Africa, Uruguay and Zimbabwe. Together SHAFFE members export 11 million tons of temperate fruit with an estimated market value of 15.8 billion USD, which represents 25% of global trade.

The mission of SHAFFE is to connect the Southern Hemisphere's fresh fruit industry through knowledge sharing, facilitating market access and promoting global fruit commerce, with the vision of facilitating the creation of a barrierless value chain.

2.1 Objective of White Paper

SHAFFE member countries have been individually and proactively developing their own sustainable commitments and action plans aligned to both private and public national sustainability policies. These individual country-based regulations and public commitments relate to each member's national supply-chain policy frameworks. Nevertheless, it became evident to members that there were common denominators in reference to sustainability issues, hence in July of 2021, the members of SHAFFE founded a *Sustainability Task Force* with the following tasks:

- 1.) Creating a common understanding amongst members about the concept of sustainability
- 2.) Identifying common opportunities and challenges amongst Southern Hemisphere fresh fruit producers, packers and exporters
- 3.) Propose concrete actions and recommendations from the Southern Hemisphere fruit industry to tackle common industry sustainability challenges
- 4.) Collaborate by sharing best practices to lead to sustainable production systems
- 5.) Support a rising consumer trend for purchasing sustainable fresh produce



2.2 For whom is this White Paper?

The SHAFFE Sustainability White Paper will serve as a guiding document for producers, packers, export trade entities, and Government competent authorities, to build, complement and guide their sustainability strategy in relation to the unique characteristics of the Southern Hemisphere fresh produce industry.

The White Paper will also highlight amongst key stakeholders along the supply chain including growers, packers, retailers, distributors, importers, communities, service providers, policy makers and external partners, the state of play of sustainability efforts and challenges in the Southern Hemispheres fresh fruit industry and outline SHAFFE's vision and key focus areas.

3 Why is the Southern Hemisphere unique in its commitment to Sustainability and what does sustainability means to us?

3.1 The Southern hemisphere's fruit industry unique perspective on sustainability

Defining a common concept of sustainability for Southern Hemisphere fruit producers, packers and exporters is necessary given that often used definitions and concepts fail to take into account the unique characteristics of temperate fruit production in SHAFFE member countries.

Our region has a rich diversity of geographic and climatic conditions across three continents, including differing languages, communities, local requirements, cultures, and production systems, whilst the long distance to the international market to distribute our counter – seasonal temperate fruit are a common denominator.





What sustainability means to SH fruit producers and exporters

“Sustainability refers to those measurable processes involved in the production systems along the value chain of fresh fruits that consider and respect people as a priority, that conduct their operations taking care and improving the environment and is inclusive with local community practices. A sustainable process should be economically viable for growers, safeguard the unique characteristics of the Southern Hemisphere fruit industry and contribute to the health and well-being of its workers and consumers across the globe.”

SHAFFE sustainability concept includes the following main common key elements:



People, cultures, and communities: Sustainable practices are fundamentally shaped by the essential contribution of people and hence need to be inclusive, create equal labour conditions and strengthen ties with the local community.



Economically viable: The implementation of sustainable practices should consider the immediate challenges of ensuring a profitable livelihood for local producers, whilst supporting the important investments needed to assure sustainable, high-quality, safe, reliable and healthy supply of fresh fruits



Supporting the unique conditions of the Southern Hemisphere fruit industry: including specific attributes that characterize Southern Hemisphere regional production, and supply and respecting the impact of the implementation of sustainable practices in this unique environment



Measurable: Sustainable practices should have clearly measurable targets to be duly monitored and which will generate positive benefits for all key areas such as environment, people and economics – but also in the wider perspective, both producers and the environment.

4 Overview of key opportunities and challenges of sustainability in the Southern Hemisphere

SHAFFE members have identified 10 common opportunities and challenges, which unite Southern Hemisphere countries in their endeavour to achieve sustainable fruit production and trade systems within in the triangle of environmental, social, and economic sustainability.

4.1 Preserving the ecosystem

Assuring fruit production for future generations requires safeguarding our current ecosystems.

4.2 Water

Guaranteeing the availability, preservation, quality and efficient use over time of water, this finite and irreplaceable resource, is essential.

4.3 Mainstream biodiversity conservation

Supporting Integrated Pest Management (IPM) as essential science based tool to build a more resilient system under pesticide-risk reduction for a safer environment



4.4 Carbon emissions and trade

Reduce carbon emissions by adopting the measuring and reporting methodologies as a primary tool for this purpose

4.5 People

Southern Hemisphere fruit production is an important source of employment for regional workers and therefore responsible for maintain safe and healthy working conditions and a continuous engagement for favourable conditions for the local communities.

4.6 Measuring and reporting

Sustainability reporting as a key element in the compliance debate to monitor progress and therefore needs harmonized comparative indicators and metrics aiming to share the social environmental and economic impact caused by everyday activity. The measurement tools must be fit for purpose in the Southern Hemisphere production context.

4.7 Capacity building: Education / Communication

Engage in capacity building activities in order to reduce knowledge gaps in reference to sustainability amongst all stakeholder groups from the grower to the retailer and the communities themselves

4.8 Financing, investments, and economic viability

Sourcing investments and making sustainable practices economically viable need further solution and attention to foster overall progress.

4.9 Public Private Partnerships

Public-private partnerships, cooperation and collaboration have been identified as decisive enabler for innovation, progress, and successful implementation of sustainability projects for the fruit sector.

4.10 Reduce the complexity of external sustainability requirements

Supporting the global development of common sustainability assurance programmes that, being realistic, meet both the needs of private (producers, packers and retailers) and public (national and regional Governments) supply chain stakeholders as well as the modern society's aspirations for safer food production that maintains a planet worth living.

5 Overview of the state of play of sustainability in key markets and its impact on the fruit sector

5.1 Europe (EU-27)

EU-27 countries are very important markets for the Southern Hemisphere temperate fruit trade with a market value of 6.6 billion USD.¹ Currently the Green Deal and related legislative proposals are the most important public initiatives connected to sustainability and which specifically aim to:

- Reduce dependency on agrochemicals and usage of excess fertilisation

¹ Data: Trademap:

https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c%7c42%7c%7c44823%7c%7c61092%7c%7c6%7c1%7c1%7c1%7c2%7c1%7c3%7c1%7c1%7c1; consulted: 6th October 2021,



- Increase organic farming including the empowerment of the consumer for sustainable consumption
- Limit biodiversity loss
- Reduction of greenhouse gas emissions
- Eliminate food loss and waste
- Combat of food fraud

Multiple sustainability certification schemes characterize the complexity of the E.U. sustainability debate, as E.U. retailers are undertaken an individualized approach to certifications from producers and packers.

In this context, the European Fruit sector, led by Freshfel Europe, has been engaging in preparing and accompanying its members through this period of change and to take a pro-active role in ensuring the fruit sectors sustainability activities are recognized.

5.2 United States of America

The U.S market is an essential pillar of SHAFFE exports with a market value of 3.9 billion USD.² Like Europe multiple sustainability certification schemes characterize the complexity of the U.S. sustainability debate.

However, with the creation of the Stewardship Index on Speciality Crop, a first step towards improved metrics and measurability of elements of sustainability has been taken, such as on water use efficiency, habitat, biodiversity or nitrogen use.

Under the lead of the Produce Marketing Association and United Fresh, industry players have recognized the need to adjust fruit production and trade to a set of key sustainable practices and priorities including concrete topics:

- Packaging including single use plastic reduction, recycling of stickers
- Reducing food waste and food loss
- Preserving soil productivity
- Social & labour responsibility
- Renewable & alternative energy sources
- Water
- Carbon footprint
- Climate change

5.3 China

One of the fastest growing export markets for SHAFFE members is China and which has a market value of 3.5 billion USD³. Currently China is the largest producer of fresh fruits in the world, with most of its current production being distributed to its domestic market. According to the CFNA, the China Chamber of Commerce of Foodstuffs and Native Produce, China's central government has taken a

² Data: Trademap:

https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c842%7c%7c44823%7c%7c61092%7c%7c6%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1; consulted: 6th October 2021

³ Data: Trademap:

https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c156%7c%7c44823%7c%7c61092%7c%7c6%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1, consulted 6th of October 2021



holistic approach with special attention to environmental protection and the impact on the domestic agricultural sector. Chinese governmental policy on sustainability is strongly connected to economic viability. Additionally, the CFNA has stated that under the centralised approach of the Chinese government, measures have been taken to optimise production including attention to quality improvement and educating farmers on sustainable production. Certification schemes are used in achieving sustainability objectives

5.4 UN Sustainable Development Goals and the Southern Hemisphere Fruit Industry:

The United Nations Sustainable Development Goals (SDG's) as well as the FAO recommendations for "Transforming Food and Agriculture to achieve the SDG's" have been a substantial part of the reflection process.⁴ In a benchmark exercise, we compared the recommendations of the FAO with SHAFFE members current sustainability efforts and identified divergent public and private sector requirements:

- *Facilitate access to productive resources, finance, and services:* by ensuring the economic viability of agricultural production
- *Addressing and adapting climate change:* by developing new varieties and stronger research on weather conditions
- *Strengthening the ecosystem resilience:* by focusing on protection of natural resources, using energy efficiently
- *Reduce losses, encourage reuse, and recycle and promote sustainable consumption:* by engaging in plastic recycling and good waste management
- *Enhance soil health and restore land:* by investing and applying in science-based integrated approaches of sustainable soil management nutrient and water management, maintenance of soil structure and organic matter.
- *Protect water and manage scarcity:* by investing in water-reduced agriculture
- *Mainstream biodiversity conservation and protect ecosystem functions:* by investing and improving IPM, pollinator protection, genetic resources.

⁴ <https://www.fao.org/3/i9900en/i9900en.pdf>



With our sector and our current engagement, we contribute to the SDG's:

	SDG 1	SDG 2	SDG3:	SDG 5	SDG 6	SDG 8	SDG 10	SDG 11	SDG 12	SDG 13	SDG 17
	No Poverty	Zero Hunger	Good Health and Well-being	Gender equality	Clean water and sanitation	Decent work and economic growth	reduce inequality	Sustainable Cities and Communities	Responsible Consumption and Production	Climate Action	Partnerships to achieve the Goal
4.1 P4.1 Preserving the ecosystem			X		X		X	X	X	X	
4.2 Water		X	X		X		X	X	X	X	
4.3 Mainstream biodiversity conservation			X					X	X	X	
4.4 Carbon emissions and trade			X					X	X	X	
4.5 People	X	X	X	X	X	X	X	X	X	X	x
4.6 Measuring and reporting				x	x	x	x	x	x	x	
4.7. Capacity building (Education, Communication)	x	x	x	x	x	x	x	x	x	x	
4.8, Finances, investments, economic viability	x	x	x	x	x	x	x	x	x	x	x
4.9. Public Private Partnerships											x
4.10 Complexity of external sustainability requirements			x		x	x	x	x	x	x	

5.5 Standards for Good Practices in Sustainability

One of the most important and global challenges facing the Southern Hemisphere fruit industry has been measuring and proving sustainable practices. This has mostly been approached through private certification schemes and benchmarking systems, all of which has created complex compliance procedures on the part of Southern Hemisphere producers and exporters who currently face diverse requirements and multiple compliance costs. Globally, the certification of sustainability of Southern Hemisphere fresh fruit has become an element of competition and differentiation amongst leading retailers and distributors. A key challenge for the industry is to align the sustainable practices applied in production and trade with the requirements of the practices required by the certification schemes. Often certification schemes do cover a broader range of agricultural goods and do not consider the unique conditions for fruit production.



6 SHAFFE Strategic recommendations

The taskforce agreed that all the identified challenges and opportunities are important. No area shall be left aside, as it is a complex interplay of all elements which will lead to successful implementation of securing sustainable fruit production not only until 2030 but beyond. This process needs to be shaped by:

- 1.) A stronger public-private collaboration built on dialogue and mutual learning
- 2.) A strong internal reflection behaviour of the sector to ensure accountability and credibility of our actions
- 3.) A stronger attention from communities, public and supply chain partners to the unique requirements of the fruit production and trade environment
- 4.) A strong effort in order to build capacities amongst producers, packers and the people that participate in the productive process.
- 5.) A process of global collaboration and harmonization shaped by a common voice and common targets of the fruit sector.

6.1 SHAFFE Strategy 2030: Priorities, commitments, and time frame

Our action plan is a commitment to capacity building. All actions and results need to be justifiable and understandable for stakeholders in each SHAFFE member country. The proposed focus will be responding to the initial intention to build this whitepaper as described in chapter 2.2. including to build 1.) a continuous common understanding amongst members about the concept of sustainability, 2.) to find concrete responses to most pressing sustainability challenges and 3.) foster further collaboration through knowledge building and sharing, which will lead eventually towards 4.) improved produce for the benefit of the consumer.

SHAFFE as organisation within its margins of mandate and capacity has identified those priorities which have consensus amongst members:

Until 2025, we will be bundling capacity to take concrete action in the areas of:

- Communication: Promote those sustainable actions currently implemented by our members
- Capacity building and education: Close knowledge gaps amongst communities, retailers, producers, exporters, to ensure a common approach along the supply chain to the concept of sustainability.

Additionally, our vision is to further address key challenges to obtain sustainable development with attention to:

- Measuring and reporting: Promoting and facilitating access to recognized reporting of sustainable actions
- Complexity of external sustainability requirements: Facilitate the harmonization of sustainability requirements a more common supply chain-oriented approach.
- Creating a new generation of leaders supported by our SHAFFE Masters programme.



However, tackling this complex issue will require strategic capacity building and need to be built on global cooperation with similar organizations.

6.2 Southern Hemisphere Sustainability Hub

In the process of the elaboration of the SHAFFE White Paper, our members recognized that capacity building is the backbone of tackling current and future sustainability challenges.

Hence, with the objective of facilitating a permanent focus on sustainability, amongst SHAFFE members, the organization has decided to convert our task force into a permanent expert committee that will spearhead the creation of the SHAFFE - Southern Hemisphere Sustainability Hub.

The SHAFFE Hub will focus on priority “enablers” including 1.)“capacity building” and 2.) “communication”, through information exchange and the organization of capacity building courses in those areas identified as Southern Hemisphere priorities, such as preserving the eco system, water, carbon emissions, and eventually also all other elements identified within the triangle of social, economic and environmental sustainability.

The SHAFFE Hub will also foster collaborations between public and private stakeholders in benefit of the Southern Hemisphere Produce and Exporting Sector.

