



ISCC Technical Committee Meeting

São Paulo, 9th November 2011

Experience with Sustainability Certification in Practice

Márcio Nappo - Socio Environmental Responsibility

Source: Biofuels International

ADM supplies ISCC-certified soybeans to Europe

12 August 2011

Archer Daniels Midland (ADM) has achieved the International Sustainability and Carbon Certification (ISCC) to supply sustainably grown soybeans to the European market.

ADM will be the first company to provide Europe with ISCC-certified sustainable soya that meets the requirements of the EU's Renewable Energy Directive (RED). By the end of 2011 ADM aims to produce up to 250,000 tonnes of sustainable soybeans at its two Germany-based crushing facilities in Hamburg and Mainz.

'The ISCC allows ADM to maintain our leadership position in the importation of soybeans to the European market while encouraging sustainable farming practices among growers,' says Jake Beaverson, general manager, ADM European Soybean Crushing.

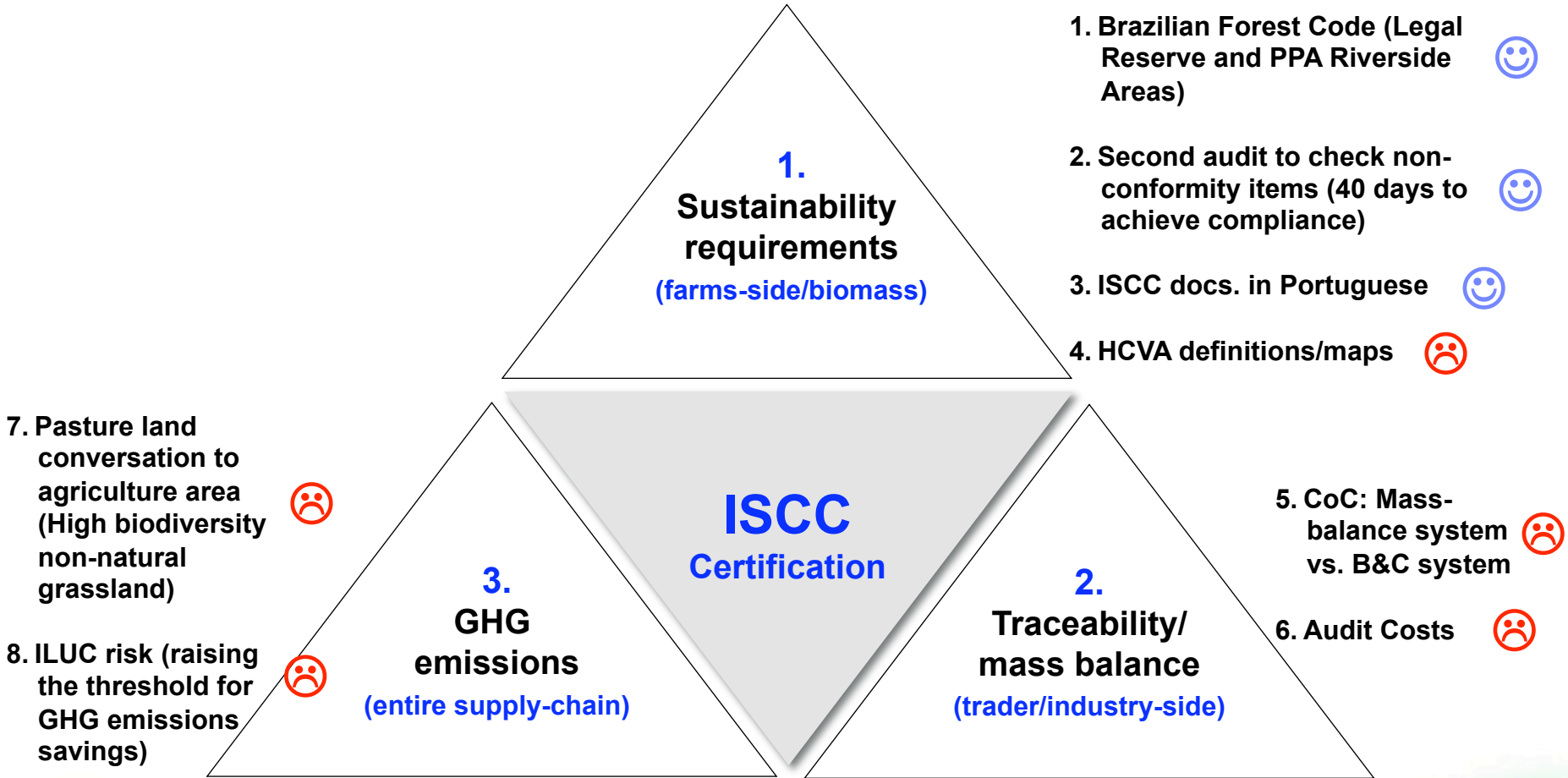
In order to be eligible for certification, companies must meet stringent standards for sustainable biomass and biofuels production, and as well as reduce greenhouse gas emissions over the complete production chain.

As part of the certification process, ADM and select farmers in South America underwent intensive audits to evaluate the sustainability of their business practices and processes, as well as traceability within the supply chain. **ADM then worked directly with growers to implement best practices to meet certification requirements for export to the European market.**

The ISCC was developed to guarantee that biofuels and biomass for biofuels are produced in compliance with recent EU legislation that requires, by January 2011, all biofuels and biomass in Germany to be certified according to the RED requirements.



ISCC Certification: major practical challenges



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1. Brazilian Forest Code (Legal Reserve and PPA Riverside Areas)

What is the minimal status regarding the compliance with the Brazilian Forest Code will be accept by ISCC to comply with Principle V? 😊

Guidance: As agreed within the *ISCC Latin America Technical Committee and approved by ISCC Board*, while the new Brazilian Forest Code has not been voted in the Congress, the *Environmental Rural Registration (CAR in Portuguese)* or if the producer has already applied to *MT-LEGAL program* will be accept by ISCC as prove of compliance with Principle V.

In addition it must be ensured that there is no legal case running against a farmer from an environmental agency regarding land use / legal reserve.

ISCC Certification: major practical challenges

2. Second audit to check non-conformity items (40 days to achieve compliance) 😊

How should we proceed with farm infrastructure issues (Major-must non-conformity items) which demand more than 40 days to be resolved?

Guidance: As agreed within the ISCC Latin America Technical Committee, corrections of farm infrastructure issues (Major-must non-conformity items) can be extended over 40 days with the condition that the producer presents to Certification Body a consistent project to correct the non-conformities and a timeline to finish the project. When the non-conformities are resolved and the project is finished the producer must send photos and other proves to the CB to close the process.

3. ISCC docs. in Portuguese 😊



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4. HCVA definitions/maps ☹️

How to conciliate national maps for natural conservations areas with international data-base? What about the Brazilian Forest Code?

5. CoC: Mass-balance system vs. B&C system ☹️

How should we proceed with farm infrastructure issues (Major-must non-conformity items) which demand more than 40 days to be resolved?

6. Audit Costs ☹️

How to reduce the costs of the audit process (first audit and the following-up audit 6 months later)?

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7. Pasture land conversion to agriculture area (High biodiversity non-natural grassland) 😞

How should we proceed with grazing/pasture areas, which were opened long before Jan. 2008, and have being recently converted to soybean areas in Mato Grosso? Is there any problem with farms that are converting grassland into soybean areas in relation to ISCC certification requirements (Principle1)?

Guidance: "In case artificially created grassland areas are not permanently managed as grassland, but form part of a crop rotation system (fallow, rotations of pasture and cropping), they are to be treated as farmland on which biomass can be grown and used according to the sustainability ordinances. Set-aside farmland still counts as agriculturally managed land. The right to use this land after termination of the set-aside period in the same way and to the same extent endures. This holds also for areas that have changed in the course of the set-aside period. Thus, grassland areas that have evolved on former set-aside areas are generally suitable for the production of biomass." (ISCC 202)

ISCC Certification: major practical challenges

Soja avança sobre pastagens no leste de MT

Por Tarso Veloso | De Primavera do Leste (MT) Valor Econômico

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Lavoura de soja na nova fronteira agrícola que se consolida na região leste do Estado de Mato Grosso, que até pouco tempo atrás era dominada pela pecuária extensiva

A cada dez caminhões que cortavam as estradas de terra da região leste do Estado de Mato Grosso em 2006, dez transportavam gado. Hoje, apenas cinco anos mais tarde, oito carregam insumos agrícolas e dois são boiadeiros. O leste do Estado, a nova fronteira agrícola mato-grossense, era até pouco tempo atrás, uma área de pecuária. Essa tradição, porém, está mudando.

Lentamente, as pastagens, principal característica da porção oriental do Estado, começam a dar espaço às lavouras. Os produtores estão apostando no plantio em detrimento da pecuária extensiva. A mudança na paisagem começa a ficar mais visível agora, com várias propriedades plantando pela primeira vez nesta safra. Grandes extensões de terra ainda com cercas e currais, marcantes na pecuária, estão agora trabalhando com soja.

Os pioneiros, porém, reclamam das dificuldades de iniciar um trabalho em uma região que, até pouco tempo atrás, dedicava-se exclusivamente a outra atividade. Natural de Santo Cristo, na região noroeste do Rio Grande do Sul, Canisio Froelich, dono do grupo Nativa, juntamente com seu irmão Romeu, critica a falta de mão de obra e a alta rotatividade, mas não desanima na hora de avaliar o potencial da região.

ISCC Certification: major practical challenges

8. ILUC risk (raising the threshold for GHG emissions savings) ☹️

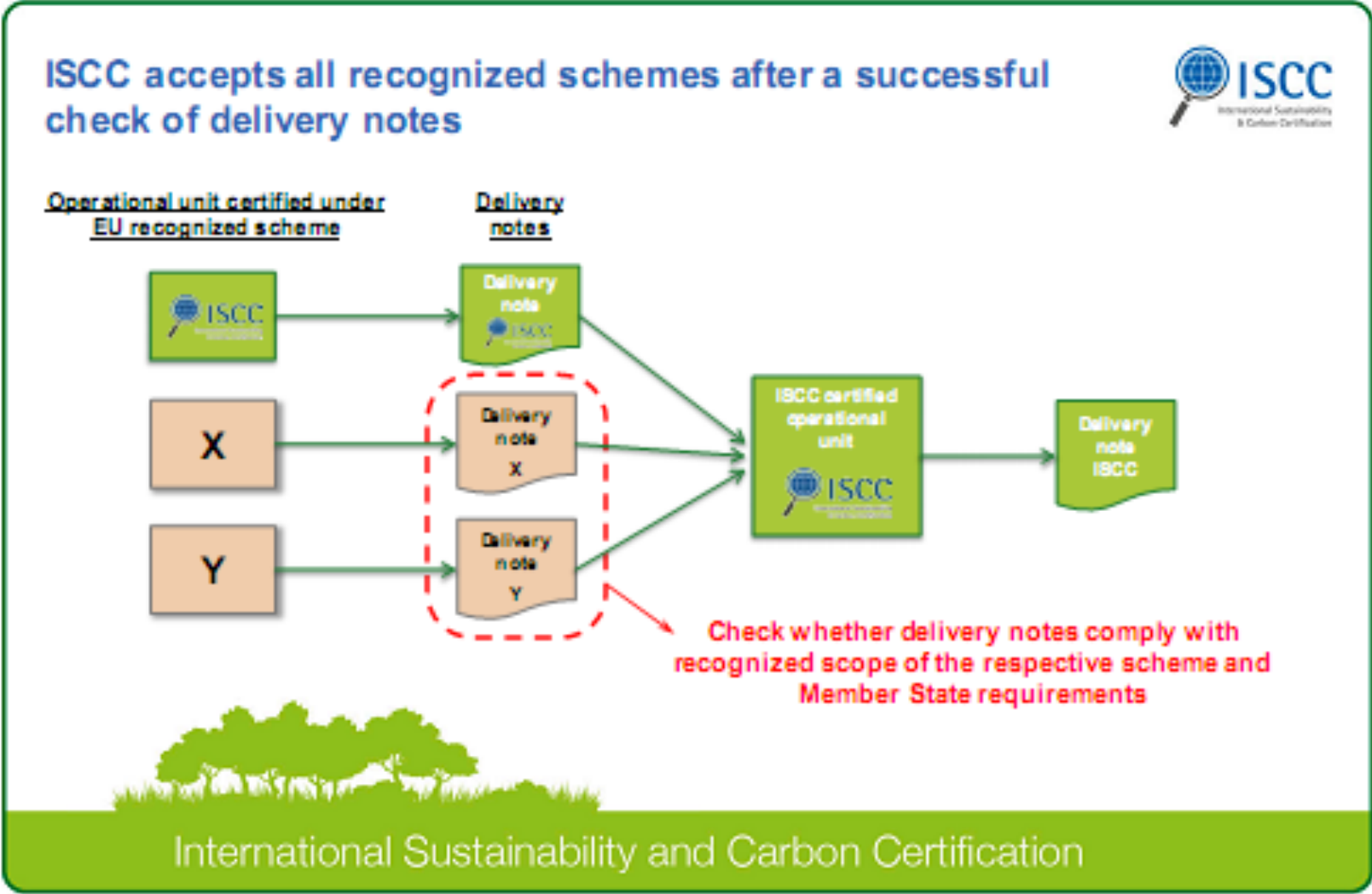
Commissioners Hedegaard and Oettinger have agreed to mitigate ILUC in the short term by raising the threshold for GHG emissions savings to a more ambitious level than now.

The deal does not specify by how much the thresholds will be increased, and the exact level is subject to further debate within the EC, but EU sources said they **expect the 2013 target to be increased to 45 or 50 percent.**

As a second step, in 2014 the Commission will introduce **crop-specific ILUC factors that would take effect in "2016 if possible, or at the latest in 2018."**

ISCC Certification: major practical challenges

9. Harmonization of different certification schemes ☹️





THANK YOU

In case of questions please contact

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