



Sustainable
Agriculture
Network

Group Certification Standard

March 2011 (*version 2*)

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Sustainable Agriculture Network (SAN):

Conservación y Desarrollo, Ecuador · Fundación Interamericana de Investigación Tropical, Guatemala ·
Fundación Natura, Colombia · ICADE, Honduras · IMAFLORA, Brazil · Nature Conservation Foundation, India ·
Pronatura Sur, Mexico · Rainforest Alliance · SalvaNatura, El Salvador

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CONTENTS

Introduction _____	4
The Sustainable Agriculture Network and Rainforest Alliance _____	4
The Sustainable Agriculture Network’s Mission _____	4
History of the SAN Group Certification System _____	5
Objective of the Standard _____	6
Comparison of the November 2004 and March 2011 standard versions _____	6
Structure of the Standard _____	7
Scope and Implementation of the Standard _____	7
SAN Group Certification Scoring System _____	8
Sources _____	9
Terms and Definitions _____	9
GROUP CERTIFICATION STANDARD _____	12
1. TRAINING AND CAPACITY BUILDING _____	12
2. RISK ASSESSMENT _____	12
3. INTERNAL MANAGEMENT SYSTEM _____	13

Introduction

The Sustainable Agriculture Network and Rainforest Alliance

The Sustainable Agriculture Network (SAN) is a coalition of independent non-profit conservation organizations that promote the social and environmental sustainability of agricultural activities by developing standards. Standard and policy development and review is coordinated by the SAN Secretariat based in San José, Costa Rica. A Certification Body certifies farms or group administrators that comply with SAN's standards and policies. Certified farms or group administrators can apply for use of the *Rainforest Alliance Certified*[™] trademark for products grown on certified farms.



Since 1992, more than 700 certificates for more than 70,000 farms - including small family farms of cooperatives, as well as plantations - in 29 countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Côte d'Ivoire, Dominican Republic, Ecuador, El Salvador, Ethiopia, Ghana, Guatemala, Honduras, India, Indonesia, Jamaica, Kenya, Malawi, Mexico, Nicaragua, Panama, Papua New Guinea, Peru, Philippines, Sri Lanka, Tanzania, United States, Vietnam and Zambia) have met the Sustainable Agriculture Standard on more than 750,000 ha for 30 crops: acaí palm, allspice and pepper, apple, avocado, banana, blueberry, cherry, chestnut, citrus, cocoa, coffee, cupuacu, flowers, foliage, grapes, heart palm, jocote, kiwi, leek, macadamia, mango, mangosteen, pear, pineapple, plum, radicchio, sugarcane, sweet onion, tea and tomato.

The SAN has the following members: Conservación y Desarrollo (C&D), Ecuador; Fundación Interamericana de Investigación Tropical (FIIT), Guatemala; Fundación Natura, Colombia; ICADE, Honduras; IMAFLORA, Brazil; Nature Conservation Foundation, India; Pronatura Chiapas, Mexico; SalvaNatura, El Salvador; and Rainforest Alliance.

The Sustainable Agriculture Network's Mission

The Sustainable Agriculture Network (SAN) promotes efficient agriculture, biodiversity conservation and sustainable community development by creating social and environmental standards. SAN fosters best management practices across agricultural value chains by encouraging farmers to comply with SAN standards and by motivating traders and consumers to support sustainability.

SAN pursues its mission by:

- Integrating sustainable production of crops and livestock into local and regional strategies that favor biodiversity conservation and safeguard social and environmental well-being.
- Raising awareness among farmers, traders, consumers and business leaders about the interdependencies among healthy ecosystems, sustainable agriculture and social responsibility.
- Impressing upon business leaders and consumers the importance of choosing products grown on environmentally sustainable and socially responsible farms.
- Stimulating dialog among environmental, social and economic groups, North and South, about the benefits of sustainable agriculture.

History of the SAN Group Certification System

The SAN group certification system was first applied for the certification of cocoa smallholders in Ecuador in 2005. The respective group certification standard of November 2004 was composed of three principles (*Establishment of a Group, Internal Control System, and Chain of Custody*) and 23 criteria. All member farms of a group administrator had to comply with the requirements of the SAN *Sustainable Agriculture Standard*. A representative square root sample of member farms was audited. If one single farm of the audit sample did not comply with the scoring system for the Sustainable Agriculture Standard, the certification of the group administrator was cancelled or not granted, even though the group administrator had complied with all other requirements of the November 2004 group certification standard for its internal control system.

In the 90s and early years of this millennium, certification was focused on estates and farms. This scenario has changed completely during the last years, with more and more group administrators and their member farms being certified. In June 2010, for example, 81,714 farms were certified, but only 710 certificates were granted. 199 certificates or 28% were for group administrators and the average group size was 243 member farms.

The Sustainable Agriculture Network has since long been aware, that the 2004 group standard needed an update and that the respective rule of “*one farm fails, the whole group fails*” does not provide a long-term framework for group administrator systems that manage big groups of smallholders.

A first draft of the new standard was written in May 2008 and discussed with some key SAN stakeholders for group certification audits, when ISEAL Alliance – the movement of voluntary standards and certification systems with RA/SAN as a full member – announced to publish a common framework for ISEAL group certification member systems. The “*ISEAL Alliance Common Requirements for the Certification of Producer Groups*” were published in November 2008 after an ISEAL expert consultation period of almost one year:

“Common requirements for the certification of producer groups serve three purposes. Where these are integrated into different standards systems, they will streamline the process by which groups can demonstrate standards compliance for different markets. They will also create a shared understanding of the practices that are necessary to instil confidence in a group’s performance. Thirdly, common requirements can be used as a basis for a common policy position to gain greater acceptance for the concept of group certification.”

This ISEAL document was introduced to SAN’s International Standards Committee (ISC) – the decision making body of 12 international expert advisors for SAN standard’s contents - during its October 2008 meeting for the first time. The ISC by then decided that this ISEAL initiative is a suitable basis for the revised SAN Group Certification System. Many of the *Rainforest Alliance Certified™* group administrators also run other certification systems in parallel and one of the long-term goals of the SAN is to reduce audit and certification costs - for example through multi-purpose audits.

A first consultation round with SAN technical teams and group administrators showed that the consensus seeking process would last long, since the 2004 group certification standard system was submitted to a significant paradigm shift with the introduction of this new ISEAL based system.

During its 4th meeting in April 2009, the ISC discussed the first version of the new group certification standard and wrote a version with a very strict scoring system, but consultation with the SAN showed that these strict rules were not practical. During the following months, the Standards and Policy Manager therefore wrote a third draft and a separate document of proposed certification rules. This set of documents was once again discussed in November 2009 during ISC's 5th meeting, where progress was made on the standard criteria's content, but no consensus decisions could be made on the new rule that would substitute the "one farm fails, the whole group fails" – rule.

During ISC's 6th meeting in May 2010, the content of the standards criteria and the main certification rules were agreed upon. The final standard in its modified version was approved during ISC's 7th meeting in November 2010. The scoring system and terms and definitions sections were again revised by the SAN technical teams. The SAN board of directors finally approved the Group Certification Standard and Policy on March 17, 2011.

Objective of the Standard

The objective of the standard is to encourage group administrators to create and maintain a management system that proves to SAN authorized auditors that all group members and their member farms comply with the environmental, social, labor and agronomic contents of the SAN Sustainable Agriculture Standard through a documentation system, trained personnel and group members. Group certification audits measure the group administrator's capacity to assure member farms' compliance with SAN standards' certification requirements and develop annual inspections of all group members with trained internal inspectors. Additionally, SAN authorized auditors visit a representative sample of member farms to check if the group administrator's training system, internal inspections and risk assessment lead to a sufficient level of member farms' compliance with the SAN Sustainable Agriculture Standard and conduct SAN shadow audits to verify the knowledge of internal inspectors on the group administrator's management system.

Comparison of the November 2004 and March 2011 standard versions

In comparison to the November 2004–version of the Group Certification Standard, the current March 2011–version contains the following changes:

- The 2004 *Establishment of a Group* - principle is folded into the 2011 *Internal Management System* principle.
- The 2004 *Chain of Custody* - principle has been summarized into one criterion of the 2011 *Internal Management System* - principle. Part of it is also handled by the new Rainforest Alliance-RAS traceability system. Additionally, chain-of-custody issues are covered by the *Risk Assessment* - principle also.
- The 2011 *Internal Management System* - principle encourages the group administrator to create a system that assures group members' compliance with SAN standards on the long run with sufficient elements to implement preventive and corrective actions. The 2004 concept of *Internal Control System* was not reflecting fully the current responsibilities of a group administrator to lead an encouraging and comprehensive system for its group members.
- The standards' criteria are more concise and are supplemented by separate *SAN Group Certification Policy* and *SAN Group Certification Guidance* documents.

- The new 2011 group certification scoring system pushes additionally the continual improvement process of group administrators and their group members through a progressively increasing minimum percentage score.
- The 2004-rule of “one farm fails, the whole group fails” has been flexibilized for the 2011 system: of groups with a size of 17 or more group members, maximum 20% of the sampled farms may score less than 80% of the *Sustainable Agriculture Standard* but equal or higher than 70%, only if they show full compliance with all its critical criteria.

Structure of the Standard

The three principles of the 2011 group certification standard are:

1. Training and Capacity Building
2. Risk Assessment
3. Internal Management System

These principles are composed of in total 16 criteria. Five of these criteria are critical. All criteria are identified throughout the text by a two-level numbering system (**1.1, 1.2, etc.**) in **bold type**.

Additionally to the SAN Group Certification Standard, the following two documents apply for group administrator audits conducted by SAN authorized auditors:

1. SAN Group Certification Policy
2. SAN Group Certification Guidance Document

Scope and Implementation of the Standard

All crops - included in Annex 2 of the *SAN Farm Certification Policy* - cultivated by group member farms are subject to audits based on the contents of the *SAN Sustainable Agriculture Standard*, *SAN Farm Certification Policy* and *SAN Prohibited Pesticide List*.

The group administrator's management is responsible for the implementation of the group's Internal Management System, including compliance with SAN standards and policies for all its group members.

- This *SAN Group Certification Standard* applies for audit and certification processes for all group administrators and their member farms as of **July 1, 2011** onwards. This implies that all group administrators will be submitted to a certification audit to begin a new audit cycle.
- Group administrators can voluntarily choose for group certification audits based on this new *March 2011 SAN Group Certification Standard* as of April 1, 2011 – under the condition that the audit teams have been trained by the SAN Secretariat on the *Group Certification Standard* and *Group Certification Policy*.

The following SAN standards and policy documents apply to group certification audits:

- SAN Group Certification Standard
- SAN Group Certification Policy
- SAN Sustainable Agriculture Standard
- SAN Farm Certification Policy
- SAN Prohibited Pesticide List

SAN's Group Certification System applies to cattle farms also. If group administrators select cattle as their certification scope additional to agriculture crops, then the *SAN Standard for Sustainable Cattle Production Systems* applies additionally.

The scope of a group certification audit is the group administrator's infrastructure, such as processing and packaging areas, conservation and housing areas, all the workers affected by the impact caused by its production activities, as well as all group members' farms registered in the group administrator's farm list for certification purposes. All infrastructure and ecosystems within the legal boundaries of properties of the group administrator and its group members' farms can be subject to certification audits.

Processing operations - outside the group administrator's legal scope - that handle products coming from certified farms are covered by the SAN/Rainforest Alliance Chain of Custody system, including rules for traceability of *Rainforest Alliance Certified™* products.

SAN Group Certification Scoring System

The following scoring system applies for SAN group audits:

1. **Group Administrator's Compliance:** In order to obtain and maintain the certification status, the group administrator must comply with:
 - a. **All critical criteria of the *SAN Group Certification Standard*;**
 - A group administrator must completely comply with a critical criterion in order to be certified or to maintain certification.
 - These are identified with the text "*Critical Criterion*" at the beginning of the criterion.
 - Any group administrator not complying with a critical criterion will not be certified, or certification will be cancelled, even if all other certification requirements have been met.
 - b. **At least 50% of the criteria of each principle.**
 - c. **At least 80% of all criteria of this standard at the first certification audit (Year 1).**
 - d. **At least 85% of all criteria of this standard at the second (first annual) audit (Year 2). This rule applies to all following audits as of the second certification cycle onwards, but only if the number of member farms has not increased by more than 10% in comparison to the member farm list of the previous audit.**
 - e. **At least 90% of all criteria of this standard at the third (second annual) audit (Year 3). This 90% rule applies for all following audits of the second certification cycle onwards also, but only if the number of member farms has not increased by more than 10% in comparison to the member farm list of the previous audit.**
 - f. ***SAN Group Certification Policy* applies.**
2. **Member Farms' Compliance:**
 - a. **In order to obtain and maintain certification, the group administrator must assure that all its member farms forming part of the representative sample of audited farms comply with the SAN certification requirements (including the scoring system) defined in the *SAN Sustainable Agriculture Standard*.**
 - b. **The following additional rules apply for group administrators with 17 or more group members:**

- **Up to 20% of the audited sample of group member farms can score less than 80% but not below 70%. However there must be full compliance with all of the SAN Sustainable Agriculture Standard's critical criteria and compliance with at least 50% of the criteria of each principle.**
 - **For every subsequent audit those group members who had not previously received an 80% score must fully comply with SAN's certification requirements as defined in the SAN Sustainable Agricultural Standard. This applies for all following audits and also for audits of new audit cycles.**
- c. **All sampled group member farms of group administrators with 16 or less group members must each comply with the general scoring system of the Sustainable Agriculture Standard. The rule mentioned above in sections 2.b and its subsections does not apply in this case.**
- d. **SAN Farm Certification Policy applies.**
3. **Compliance at the Criterion Level:**
Not implementing any or some of the practices as defined by the criteria of the SAN Group Certification Standard or SAN Sustainable Agriculture Standard will result in the assignment of a non-conformity determined on the basis of each individual criterion. There are two categories of non-conformities:
- a. **Major Non-Conformity (MNC): indicates compliance with less than 50% of the criterion requirements.**
 - b. **minor non-conformity (mnc): indicates compliance with equal or more than 50% of the criterion requirements, but less than 100%.**

Sources

Concepts for this document have been adapted from the following sources:

ISEAL Alliance. Common Requirements for the Certification of Producer Groups (P035 - Public Version 1). November, 2008.

Rainforest Alliance. Standards for Group Certification - Rainforest Alliance Certification. November 2004 Version.

Terms and Definitions

The majority of the following definitions have been modified based on *ISEAL Alliance Common Requirements for the Certification of Producer Groups*:

- **Audit (External Audit):** A systematic, independent and documented process carried out by a SAN authorized auditor on behalf of a certification body for obtaining evidence and evaluating it objectively to determine the extent to which SAN standard and policy requirements are fulfilled.
- **Auditor:** A person appointed by a certification or inspection body and approved by SAN to perform an external audit.
- **Certified Product:** Crops and the products derived from them, produced on a certified farm that complies with applicable SAN standards and policies. The certified product that complies with the SAN Chain of Custody requirements can bear the *Rainforest Alliance Certified™* seal.

- **Chain-of-Custody:** All steps in the production chain between primary production and final consumption (including growing, handling, processing and retailing).
- **Conflict of Interest:** The situation where an individual or group's capacity for objectivity is put at risk by financial or personal interests that are in conflict with their interest in conducting fair and impartial internal inspections.
- **Continuous Improvement:** Recurring activity that has the effect of increasing the ability of a group to fulfil SAN standard and policy requirements. The process of establishing objectives and finding opportunities for improvement is a continual process, based on risk assessment, audit findings, management reviews and other means.
- **Contract:** A binding agreement.
- **Declaration of Interest:** A declaration of personal and/or commercial interests in the certified production by those involved in the certification process, to enable determination of an individual's objectivity.
- **Document:** Consists of information and its means of back-up. These means can be paper, sample, photograph, or magnetic, optical or electronic disc.
- **Farm:** A primary production unit – can be composed of several neighboring or geographically separate production plots - subject to certification or audits: a plantation, estate or smallholder farm.
- **Group Administrator:** The entity that signs the certification contract with the SAN approved certification body and takes responsibility for the development, execution and maintenance of the internal management system and for verification of farm compliance with Sustainable Agriculture Network standard and policy documents.
- **Group Certification:** Certification of an organized group of producers with similar production systems, where certification applies to the group as a whole.
- **Group Member:** The owner or responsible person of one or more member farms.
- **Group of Certified Farms:** The cluster of member farms of a group administrator that form part of the certification body list of certified farms for this specific group administrator. This cluster excludes member farms that are not forming part of the certification scope.
- **Internal Inspector:** A person appointed by a producer group to undertake an internal inspection of individual group members based on Sustainable Agriculture Network standard and policy documents.
- **Internal Management System (IMS):** A documented set of procedures and processes that a group will implement to ensure it can achieve SAN standard and policy requirements. The existence of an Internal Management System allows the SAN approved certification body to delegate inspection of all individual group members to an identified body within the producer group.
- **Member Farm:** Farm owned or managed by a group member that signed or marked an agreement with the group administrator.
- **Organizational chart:** A diagram that shows the organizational structure of the group administrator and the relationships and relative ranks of its parts and positions that compose the general management structure of the group with emphasis in the internal management system's functions.
- **Potential conflict of interest:** When an individual or organization is involved in multiple interests, one of which could possibly corrupt compliance with SAN standard and policy requirements or the group administrator's rules. This includes employment outside the group administrator, in which the interests of this job contradicts the responsibilities

and tasks of the position within the group administrator's internal management system. These potential conflicts can be resolved by a signed declaration of interest.

- **Procedure:** Specified way to carry out an activity or a process for the purpose of complying with SAN standard and policy requirements.
- **Program:** A planned course of action with detailed and explicit instructions to fulfill a purpose.
- **Rainforest Alliance Certified™ (Seal):** The marks of conformity owned by the Rainforest Alliance Inc, and governed by a license agreement and associated rules for seal use. Once certified by the SAN, a Client may apply to the Rainforest Alliance Inc for a license to use the *Rainforest Alliance Certified™ Seal*. Continued use of the *Rainforest Alliance Certified™ Seal* is contingent on both maintaining certification by the SAN and conformity with the license agreement and the rules for seal use.
- **Record:** Document stating results achieved or providing evidence of activities performed.
- **Risk Assessment:** Qualification and quantification of the risks associated with critical aspects of a group's operations, including external risks. Risk assessments include identification, analysis and evaluation of risks at the different stages over which a group has responsibility, from group member production to processing and transportation.
- **Sanctions:** Measures taken against group members who have failed to comply with applicable SAN standard and policy documents or with other group administrator requirements. Internal sanctions can be taken by a group against group members, while external sanctions can be taken by a certification body against the group as a whole.
- **System:** A group of elements that are mutually related or that interact. A management system is a system for establishing policies and objectives, and for attaining those objectives.

GROUP CERTIFICATION STANDARD

1. TRAINING AND CAPACITY BUILDING

Summary of the principle (not binding for audit purposes): The group administrator trains its group members and internal management personnel on SAN standard and policy contents according to the local language, education and culture of the training event participants.

- 1.1 **The group administrator must implement a training program for its group members to comply with Sustainable Agriculture Network standards. The people actually doing the job must be those trained.**
- 1.2 **The group administrator must train its internal management system personnel to enable them to fulfill their roles.**
- 1.3 **The group administrator must document the following elements of its trainings: date and location, summary of contents, name and qualification of the trainer, and names and signatures of the participants.**
- 1.4 **Trainings must be conducted in participants' local languages or dialects, at educational levels and with cultural characteristics enabling successful communication.**

2. RISK ASSESSMENT

Summary of the principle (not binding for audit purposes): The group administrator evaluates internal and external risk for the group's management system in terms of compliance with SAN standards and policies, group membership, chain of custody and systems' costs and performance, in general. This risk assessment forms the basis of corrective and preventive actions, with special emphasis for assuring traceability of *Rainforest Alliance Certified™* products.

- 2.1 **The group administrator must create an annual risk identification and assessment for compliance with Sustainable Agriculture Network standards aiming for continuous improvement considering no less than internal inspections, external audits, new group members, farm production, chain-of-custody, compliance costs and performance of the internal management system.**
- 2.2 **The group administrator must implement measures to prevent or minimize risks identified in the assessment.**
- 2.3 ***Critical Criterion.* The group must have a system for avoiding the mixing of certified products with non-certified products in its facilities, including harvesting, handling, processing and packaging of products, as well as transportation. All transactions involving certified products must be recorded. Products leaving the group as certified must be identified and accompanied with the relevant documentation.**

- a. **The group administrator must establish procedures to ensure that non-certified production is not brought into the group's certified production.**
- b. **Group members must not individually sell their products as certified, however their product can be segregated as a certified product for sale by the group administrator.**

3. INTERNAL MANAGEMENT SYSTEM

Summary of the principle (not binding for audit purposes): The group administrator implements an internal management system with competent personnel and sufficient finances assuring compliance with SAN standards through trained personnel, governance procedures and group members that commit to the group's rules, including a sanction system for non-compliant group members. The management system is free from conflicts of interest and assures annual follow-up of group member's compliance with the group administrator's rules. Accurate and complete records of group members and member farms are the basis for a successful certification process.

- 3.1 ***Critical Criterion.*** The group administrator must implement an effective internal management system, including the following:
 - a. **Organizational chart with details of committees, positions and job responsibilities, including those serving;**
 - b. **Responsibilities, required qualifications and competencies of personnel, elected persons, and committees;**
 - c. **Governance procedures for:**
 - i. **Approval of new group members and annual status of each member farm;**
 - ii. **Group and group member record keeping requirements;**
 - iii. **Internal inspections; and**
 - iv. **Sanctions and appeals.**
- 3.2 ***Critical Criterion.*** Each group member must sign or mark an agreement with the group administrator. Each group member must be informed of their right to resign. The group administrator must assure that each group member understands the agreements' contents including group members' duties to:
 - a. **Comply with Sustainable Agriculture Network standards and group administrator's internal requirements;**
 - b. **Provide the group administrator with required information;**
 - c. **Cooperate with internal inspections and external audits;**
 - d. **Report their intentional and unintentional non-compliances with Sustainable Agriculture Network standards and group administrator's internal requirements.**
- 3.3 **The Internal Management System personnel and procedures must be resourced with competent personnel and sufficient finances, and must reflect the group members' characteristics and composition, including its geographical and cultivation diversities.**

- 3.4 The group administration must manage conflicts of interest with impartiality and independence, including decision makers' absence of their own actual or potential conflicts of interest.**
- 3.5 *Critical Criterion.* Prior to an external audit, the group administration must internally inspect all group member farms. They must be internally inspected no less than annually, preferably at different times of the year. New group member farms must be internally inspected before being included in the group subject to certification.**
- 3.6 The Internal Management System must have policies and procedures for sanctioning individual group members for non compliance with Sustainable Agriculture Network standards or internal group administrator requirements.**
- a. Progressive sanctioning measures must be established, concluding with the exclusion from sales of certified products;**
 - b. Each group member must be informed of the sanctioning system;**
 - c. Records must allow for the easy identification of sanctioned group members;**
 - d. Each group member must have the right to appeal findings of non-compliance and its resulting sanctions.**
- 3.7 Upon group member's request, the group administrator must facilitate a group member's ability to create records.**
- 3.8 The group administrator's documents must be consistent with group members' language and level of understanding.**
- 3.9 *Critical Criterion.* The group administrator must keep accurate group member records, including:**
- a. A list of group members with their names, date of entry to the group, any assigned identification and certification status;**
 - b. Information on certified member farms with location, total area, total production area, annual production volume, farm maps or sketches indicating location of natural ecosystems;**
 - c. Regional maps or sketches of all the member farms' locations, including access roads and main natural ecosystems;**
 - d. Volumes of certified products at the following stages: buying, handling, processing, packaging and selling;**
 - e. External audits and internal inspection reports, dates, and any complaints received;**
 - f. Prior non-compliances, including sanctions, follow-up actions and appeals.**