



Minutes 123 - EB Conference Call

Date: December 14, 2015

Attendees:

Producers: Juliana Lopes (Amaggi); Gisela Regina Introvini (FAPCEN)

Industry, Trade & Finance: Olaf Brugman (Rabobank);); Christophe Callu Mérite (Feed Alliance).

Civil Society: Gert Van Der Bijl (Solidaridad), Ulises Martínez (Fundación Vida Silvestre Argentina); Oswaldo Carvalho (Earth Innovation Institute)

Secretariat: Marcelo Visconti; Verónica Chorkulak, Jimena Froján, Jimena Couto; Daniel Meyer; Lieven Callewaert; Daniel Kazimierski; Catalina Ale Monserrat; Fernando Olivieri.

Observers: Cecilia Gabutti Bohg (consultant).

1. Open meeting and expecting of the meeting.

The agenda is presented and checked for further subjects to be included. The meeting begins.

2. Minutes Meeting 122: the minutes are reviewed page by page.

APPROVED

3. Action list: check status

Lieven gives an update of Syntegration.

He comments that there are about 34 registered participants at that point, which is more than enough to do the meeting. The syntegration meeting will take place and he considers that this is an amazing achievement.

He says that they are still working to connect to more people from Proterra, ADM.

The secretariat has begun to send the confirmation, and the register process is on the way. We are focusing on how to increase the responsible soy in Europe.

Marcelo asks if there is any people that we want to come, that must to be highlighted to connect.

Olaf answers that the traders, and the big brands are behind in representation.

Lieven hopes to convince them. **[A1]**

Christophe express his disappointment about the numbers and that the big brands (who are able to push the market) are not coming.

He thinks that there is not a significative amount of new people and because of that the meeting will be the same as always (same people same stories).

Olaf thanks Cristophe for his opinions and says:

If you are there you, commit to buy responsible soy. Owing to they focus on other sustainability initiatives.

He is very anxious to see what happens. It is an experiment.

We are working on Bunge, and some of large retailer, especially the ones represented by Belinda, for example Ahold and other bigger companies.

Olaf comments that last week, there was a first meeting in the Netherlands, they rewarded the ones who support the sustainable supply chain. In the EU, the government is pushing the agenda.



He also says that it is possible that some will ignore the syntegegration. But the Syntegegration will be in this agenda, so is more difficult to ignore.

Marcelo asks if there a possibility for the government to participate in the RT11. [A2]

Olaf says that it is possible to have one of two representing them. He highlights to use the syntegegration as a background.

4. P&C Reviews.

Jimena Frojan and Cecilia Gabutti give an update of the P&C.

Cecilia presents a summary of the process and the main outcome of the second meeting of the review technical working group. She shows the next steps in this process.

She gives an introduction of the process and the comments that they received after the first meeting of the review technical working group. She mentions that there was a consultation period between the 2^a of September until the 1^a November, and also an extension until the 15^a of November.

During that period they have received 118 comments. She highlighted that they received 40% more comments than first public consultation.

- 37 were related to the 4.4.
- More than 11 countries have participated: Sweden, US, Canada, Argentina, Brazil, Paraguay, The Netherlands, UK, Belgium, Austria and Germany (and other international companies).

She shows the people who participated during the public consultation period.

She classifies the comments that they received per principles:

Principle 1: 1 comment.

Principle 2: 16 comments.

Principle 3: 16 comments.

Principle 4: 47 comments.

Principle 5: 34 comments.

4 general comments were also received.

From all those comments, there were 10 comments that there were out of the scope, or there were already address in the standard or somewhere else.

The participants during the second physical meeting were representative by:

Producers:

Juliana Lopes, **Amaggi**

Luiz Iaquinta, **Fazenda Bartira**



William Bonalume, **SLC**
Jose Luis Tedesco, **Aapresid** (day 1)

Industry, Trade and Finance:

Débora Telles (day 1 & 2) & Ezequiel Paul, **Nidera**
Rodrigo Morais (day 1 & 2) & Bernardo Ribaya, **Bayer**
Pablo Casabianca (day 3), **Syngenta**

Civil Society:

Cassio Franco Moreira, **WWF**
Ulises Martinez, **FVSA**
Hernán de Arriba, **Proyungas**

Observers:

Mariano Salerno, **Schutter**
Veronica Weber, **Nidera** (implementation)
RTRS Secretariat

Cecilia comments that Jime already sent a short presentation about the hot topics of the meeting.

She comments that the main point of discussion was the 4.4.

She also mentions that the group reached an agreement during the meeting. They need the confirmation of WWF and FVS, but the text was agreed during the meeting.

WWF sent supporting the text with modification.

As it was not the same text that was agreed in the group, she sent it back to the group in order to confirm if they agree on the new amendments. They have time to answer until today at 2.

She received some concerns about the text, especially from people that were not present during the meeting.

The comments that she received regarding this proposal were that the concept of area with high below ground carbon stocks has to be left out, as it is not clear what is high or low carbon stock and can induce the auditors to biased interpretations.

Cecilia comments that the group has to work on a definition for it.

Another concern was regarding the concept of erosion prone soils which give space to dubious interpretation and has to be left out, it can exclude whole regions with (for example) sandy soils which can erode if no proper Agricultural Practices are in place. This item is already considered in the Good Agricultural Practices chapter. I take the example of the western part of the state of Bahia, Brazil, where sandy soils prevail, but, with conservation tillage systems (No Till) very high yields are achieved and no erosion.



There were also a concern that the Brazilian RTRS maps contain serious errors, many areas marked as Category I cannot be characterized as such. She was not aware of the error in the maps.

Another important discussion was regarding **the use of pesticides.**

Deadline extension for paraquat use:

It was decided to follow the current note in the standard.

It should be clarified:

The RTRS Secretariat receives this information

Type of evidence

Suggestion: to send an email with a reminder of the deadline to present this evidence

Creation a new indicator. 5.6.4 The use of products in the WHO list, with classification 1a and 1b should be controlled, if possible reduced according an ICM plan developed by the producer, which explains on what specific circumstances the use of this products is allowed.

Implication:

The RTRS has to define:

The RTRS has to define when who and how this evidence will be analyze. And is import to define which evidences will be acceptable. (minimum parameters)

We have new indicators in this meeting.

New Indicator I: Indigenous people

- 3.2.3 Producers are required to respect the rights, customs and culture of indigenous peoples as defined in the UN Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989)."
- 3.2.4 Sites of especial cultural, ecological, economic or religious significance to indigenous people shall be clearly identified in cooperation with such people, and recognized and protected by farm managers.

New Indicator II

- 4.1.1 An initial social and environmental assessment is carried out prior to the establishment first audit.
 - Replacing assessment for high risk and new infraestructure
 - Linked with indicator 1.3.1: An assessment is carried out which identifies those social, environmental and agricultural aspects of the operation (on and off farm) where improvement is desirable.
- 4.1.5 A summary of the social and environmental assessment report shall be available under request.

New Indicator III



- Regarding 4.5.2 There is a plan, which is being implemented, and monitored to ensure that the native vegetation and wildlife are being maintained (except areas covered under Criterion 4.4)
 - Guidance
 - Sub-group will work on this guidance (WWF, Fundación Vida Silvestre & Fazendas Bartira)

New Indicator IV

- 4.5.4 For farms that have less than 10% of native vegetation (but in compliance with 4.4 and 5.2 and other related indicators), producers are required to implement and promote conservation activities in or out of the farm in order to promote wildlife and restoration of native vegetation.
 - Guidance with examples

Modifications I

- Inclusive Business Models: Stays in the preamble
- The unit of certification: shall be the farm on which soy is cultivated and is delimited by the farm boundaries. This includes fields where soy is cultivated, but also all non-soy growing areas, non-cultivated areas, infrastructure and installations and other areas that form part of the farm.

Modifications II

- 5.1.2 There is a plan that includes monitoring and mitigation measures according to the identified risks and applicable to the scale.
- The old proposed 5.1.1 was eliminated (water risk assessment).
- The guidance was changed (monitoring at facility level was replaced by watershed level).

Modifications III

- 5.3.4 There shall be an implemented crop rotation plan in order to avoid soy planted immediately over soy and promote a gap in the same field. During this gap a second crop or pasture should be cultivated or at least there should be fallow or a regeneration of cover vegetation. This plan shall consider specific climatic and agro-ecological conditions adapted to the regions.

Modifications IV

- 3.3.1 The complaints and grievances channel has been made known and is accessible to the communities and employees.

The group developed new Guidance in many indicators:

- Annex 1: Guidance: 2.1.4, 2.1.5, 2.2.3, 3.2.1, 3.3, 4.1, 4.5.2, 4.5.4, 5.3, 5.10
- Annex 4 ICM measures and practices: 5b
- Annex 5 Guidance for National Interpretation: 2.1, 4.2.2, 5.10



Improvements for group certification for small farmers:

- New guidance for: 2.2.5, 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.3.1, 4.3.2, & 5.4.4

Olaf wants to know how the progress of the P&C will be.

Cecilia answers that we have to wait for the feedback. She adds that during this meeting they have addressed more concerns about practicality of some indicators. She considers that with the development of the guidance the standard is clearer and was a very good improvement.

Summary: positive aspects

- Consensus and agreement in all points except 4.4
- Voting was never needed.
- Lot of new guidance and clarifications.
- Flexibility and accesibility for small producers under a group certification model.
- Group worked very well in term of negotiations and understanding of others view points.
- Lot of interest from countries like Canada.

Summary: area where improvement is needed

- Consensus on 4.4
- Participation issues: lack of commitment, partial participation
- Still missing 1 industry member
- Group is not representative enough:
 - Missing small producers insights
 - Other countries production situation
 - Very focused on brazilian legislation, this is taken as reference.

Next steps:

- Define future of 4.4 for next public consultation: it was proposed to the group to go with the most agreed proposal on 4.4 and discuss further the concepts that are not clear so far.
- Finalization of the Draft V3.
- Public consultation period of the new draft (between 30 & 40 days).
- Comments collation and meeting and material preparation.
- Third Meeting: February (date tbd)
- Draft to EB for approval: March **[A3]**
- Submission to General Assembly: after EB approval

Marcelo comments that he has discussed with Jimena and Cecilia to organize a group to analyse the evidence of paraquat received.

5. RT11

Jimena Couto gives an update of the RT11.



Jimena comments that she had a call with Gert and Olaf to define some points.

The venue chosen is: Royal Tulip Alvorada (The one of the field trip in February)

We Are already in contact with Alfa press, who is our logistic agency (the ones who presented the most completed proposal)

They will be managing the logistic, communication and press of the conference.

They will be separated in different teams, doing different things and taking care of each detail of the conference.

She believes they would make a great effort.

In the afternoon, she will have a call with alfa press to define the details of the whole contract and each activity so she can move forwards with all the work of the organization.

Storyline and Save the date.

We have reached a final version. We received many comments from all the EB members and we have processed all of them.

With the approval of the location, a Save the Date will be sent to all contact lists of RTRS with that storyline as text by the end of the year.

Structure

The Structure of RT11 is being reviewed with the RT11 Committee. A call will be scheduled to define it.

It was decided to only send invitations to key note speakers and government representatives after this structure is approved.

Special invitation

John Landers has kindly invited the RTRS Executive Board and RT11 key note speakers to a special cocktail at his house.

The Secretariat proposes to have this event as a welcome dinner. It would be held after the first meeting of the Executive Board, the night before the conference.

Next steps for RT11

- Sign Contract with Logistic Agency and Hotel [A4]
- Send save the date (with storyline approved) [A5]
- Define structure [A6]
- Send call for sponsors [A7]

6. Brazilian representative:

Daniel Meyer has communicated that he will work until February 10th 2016.

A call with Brazilian EB members took place in order to define priorities, areas of work and localization of the new representative.

A new ToR was defined and will be launched by w/c December 21st.

Daniel thanks to the secretariat and the EB for his experience in RTRS.

7. Communications:



Jimena Couto provides a quick overview.

The RTRS EB decided to open a new Tender for Communication Support at an European Level for 2016 period.

The RTRS Secretariat sent the Tender document approved by the EB to 12 different agencies during the week of November 30th.

The agencies are:

- Greenhouse PR (*DECLINED OPPORTUNITY*- They are anti-GM. Not comfortable with GM issue.)
- Grayling (*DECLINED OPPORTUNITY*- They are pitching for a high volume of new business at the moment)
- SalterBaxter
- Futerra (*DECLINED OPPORTUNITY*- They don't provide media relations services.)
- Stratagème (Exchanging e-mails with Jimena C. to have more information on RTRS and its needs. We have sent them public materials we have developed.)
- S&P (We received their proposal)
- Forster (Exchanging e-mails with Jimena C. to learn more on what RTRS needs.)
- ZN Consulting (Contacted Marcelo by phone.)
- Fleischman Hillard
- Burson Marsteller
- GlobeScan (Exchanging e-mails with Marcelo. They believe they don't have the PR expertise we need.)
- Futureye (Exchanging e-mails and phone calls with Jimena C. We have sent them public materials we have developed to have as reference.)

The strategy will change, they will take that into account.

They want to focus on what is media relationship and public relationship.

S&P is not in the list, but we received their proposal.

Next Steps

Proposals Reception on December 11th.

- Call Conferences with agencies to discuss proposals on the week of December 14th..
- "Final" proposals for EB approval by January 11th.
- After Syntegration event, the strategy of RTRS in Europe may change and therefore the proposal should be reviewed.

Olaf thanks Jimena.

Financial Situation

Veronica gives an update.

She says that we are in a very good financial situation.



We will be ended the year with about more than 600 000 euros, it is also in line with the great year we have related with sales.

She comments that we overpass 2 millions metric tons sold in 2015. Overpass our forecast.

Also the budgets, this will allow to plan

Income

- The main sources of income are Certification fees and Membership fees. While 107% of the budget for membership fees has already been accomplished, the collection of budgeted certification fees is 110%.
- Project funding entails the following projects: 3FI, IDH (for communications) and PES project.
- Fees and sponsorship fees collected for RT10 almost covered the related expenses.

Expenses

- Direct project cost consists of Mapping Argentina, PES, 3FI and P&C Review
- The budget execution for direct project cost is 32%. However, it is expected to execute the budget in the following months. The Argentinean Mapping project as well as the P&C review are performing according to the working plan but some of the payments have not been executed yet. On another point, the PES project was delayed and still 60% of the budget was not executed.
- PET process is already started. Mapping process with argentina, we have already reach the first version of the map of argentina.

The P&C review we are according to the budget.
The balance of this year we finish with 644.005 euros over 100.000 more.

We will end the 2015 with 644, 623.

Expenses Detail

The main categories of expenses are salaries, market development expenses, professional services and RT Expenses.

Oswaldo comments that the 3FI project was approved to work for 4 more years.

Corn Certification Status

Veronica says that she has been working together with Jimena in the Corn Certification.

We have a call with chainpoint. They asked for a budget to add a new crop in our IT platform.

It is not easy to use if we are thinking in having more than one crop in the future. The platform has to prepare to add new crops.



ChainPoint has prepared a budget of 112 hours in order to develop this project.

Next steps:

- We are working to improve the module of corn.
- Find the market.

We are in a position of selling this opportunity of the producer who are producing both crops.

Olaf thanks Verónica for the update.

Handover process

Marcelo gives an update.

The Executive Director Agustin will leave the RTRS on December. However he will be continuous being the representative representative of the entity until finishing with the law issues.

He comments that he doesn't know whether they will finish this year, on January or February.

AON ensure process in ongoing , he believes we will have a final proposal with AON.

The whole thing could be finished before end of January.

He comments that he sat down with Agustín to see all the financial handover.

Auditor

Olaf and Marcelo suggest to call for an extra GA to select the auditors. It is needed to have an independent auditor. The auditor will need to be find.

Organize a GA to appoint that in order to have the first audit report present in the next GA. **[A9]**

Letters to members

Veronica gives an update.

Catalina has been sending the letters to all the member who haven't reported yet. After sending the letters, we have received only 13 reports.

There is something to consider, that is Molinos Argentina rise up the issue that they only report to Global Reporting Initiative (GRI). They do not want to report to our template.

The company that did not report yet will be published on the web as we have already decided in the previous call.

Olaf closes the meeting.

-11:149 CET-
----- MEETING CLOSED -----



Activity	Responsible Party	Deadline
[A1] Invite big brands to synte-gration	Secretariat	January 26 th
[A2] Invite government to participate in the RT11	Secretariat + EB members	June 1 st
[A3] Production Standard draft to EB for approval	Secretariat	March
[A4] Sign Contract with Logistic Agency and Hotel	Gert Van Der Bijl	-
[A5] Send save the date	Jimena Couto	December 21 st
[A6] Define structure	EB Members	-
[A7] Send call for sponsors	Marcelo Visconti	-
[A8] Reach a final proposal of communication for the EB	Secretariat	January 11th
[A9] Organize a GA to define a new auditor	Secretariat	-