

Agreement for joint soy credit buying

Denmark's imports of soy from South America, including the Chaco in Argentina and the Cerrado in Brazil, are at risk of being linked to deforestation. With a recognition of the Danish actors role, a number of members of the Danish Soy Alliance have developed an agreement to support the global production of responsible soy.

This agreement facilitates to buy joint credits from producers in one of the most vulnerable regions in South America, the Cerrado. An area that needs immediate and continued support for responsible production, to avoid deforestation, loss of biodiversity and respect for people.

The Brazilian Cerrado is the oldest and most biodiverse forest savannah in the world and home to over 10,000 plant species and fascinating animals such as the jaguar, anteater, armadillo and tapir, found in only a few places in the world.



Danish Alliance for Responsible Soy

Participants at launch:



The model

The innovative model for joint support from downstream companies directly supports soy producers through RTRS credits. The credit system ensures that soy farmers can sell credits themselves and thus have a financial incentive to convert to and continue responsible production. This helps to support responsible production today, helps to protect the nature at risk and makes it possible for companies to source certified soy. The model contains several elements, including geographically specific credit purchasing from high-risk areas, multi-year commitment for credit buying, documented progress, increased dialog/access to producers and collaboration across the supply chain.

Part of the physical transition

By focusing on the Cerrado, the Alliance will increase the demand in high-risk regions for certified responsible and deforestation and conversion-free production. This not only creates a direct impact in a high-risk area, but it can also lead to higher volumes of certified supply of responsible soy which will help to create a critical mass of responsible soy for physical uptake.

Moreover, it should lead over time to reducing deforestation and conversion risks associated with the Danish soy supply chain, as it makes certified responsible soy available, helping to ensure that soy imported to Denmark is produced sustainably without damaging ecosystems or violating workers rights.

The role of soy credits

The Danish Soy Alliance is working on several different methods to bring the Alliance closer to achieving the vision that all soy imported to Denmark is produced responsibly by 2025, and that the alliance contributes to the global production of responsible soy.

Responsible soy credit purchasing is not in itself a silver bullet, but joint purchasing of credits can be a step towards a more sustainable soy sector. Credits support high-risk areas here and now by ensuring responsible and deforestation-free production, especially in areas where nature is under pressure.

Furthermore, buying joint credits can help create a longer-term incentive for Brazilian soy farmers and help build a market for more producers to switch to responsible production. Research has shown that, even though all RTRS credits ensure production lives up to the same criteria, they don't necessarily represent the same impact. Credits can be purchased "blindly", which means that the buyer has little insight into how and where the credits support positive development. The alliance has therefore developed this model where alliance members join forces to create a more direct and visible impact by supporting a high-risk area in Cerrado, Brasil.

Would you like to join the agreement or hear more about the Alliance? Contact Jacob Lykke Andersen at ja@etiskhandel.dk or Janine Dortmund at jd@etiskhandel.dk

Background to the agreement

What are RTRS credits?

Round Table on Responsible Soy Association – is a non-profit organisation working to promote the production and use of responsible soy. RTRS gathers all actors from production to consumption to enhance the global production and uptake of responsible soy.

To get the RTRS-certification, the producer must comply with 108 mandatory indicators, within legal compliance and good business practices, responsible labor conditions, responsible community relations, environmental Responsibility, good agricultural practices

When purchasing credits, the company does not physically purchase the sustainable soy. It is instead done via credits. This way, we contribute to sustainable soy cultivation and the RTRS programme. One credit is equivalent to one ton of certified soy.



Danish Alliance for Responsible Soy

Danish Alliance for Responsible Soy

The Danish Alliance for Responsible Soy aims to bring together relevant Danish actors in a binding collaboration to ensure progress towards sourcing responsibly produced soy.

By participating in the Alliance, the stakeholders can help to promote sourcing responsibly produced soy, and the stakeholders also commit to the Alliance vision and obligations.

The Alliance vision is for all soy imported to Denmark to be produced responsibly, including legally produced, and to not contribute to deforestation or conversion of other natural vegetation. Through a joint Danish effort, the Alliance will continuously contribute to global soy production becoming responsible. To achieve this vision, members commit to:

- Publish an action plan for responsible soy, including a time bound schedule, which describes actions to ensure progress towards the vision.
- Report progress annually to the Alliance Secretariat.

Ethical Trade Denmark

Ethical Trade Denmark (2008) is the unifying platform for companies and organizations working for responsible trade and sustainable development. We strengthen knowledge and cooperation on social responsibility and sustainability in global value chains because trade must respect human rights and take into account the environment and climate. Ethical Trade Denmark is behind the Knowledge Center for Sustainable Value Chains, the Academy for Ethical Trade, member networks and several multi-stakeholder partnerships and alliances.

The organization was established in 2008 as a membership organization of business, trade unions and civil society organizations to strengthen knowledge, action, and cooperation on responsible and sustainable global trade. Today, its membership includes more than 100 companies, trade unions, business and industry organizations, civil society organizations, public institutions, municipalities, and foundations.

This agreement and the Danish alliance is facilitated by:

