



Collaborative Soy Initiative

PREPARATORY DOCUMENT FOR META MEETING 8 SEPTEMBER BASED ON OUTCOME OF FIRST META MEETING OF 24 JUNE

CONTENT

The hurdles /challenges to achieving deforestation and conversion free sustainable soy that were mentioned during the CSI META MEETING OF SOY INITIATIVES OF JUNE 24 are listed below. The goal of the follow-up META MEETING of 8 September is to seek for alignment on the potential roadblocks for DCF sustainable soy and how to overcome them. Once the group has agreed on the major and real hurdles/challenges, further discussions will focus on the following questions:

- Who is delivering what on which challenge? Which strategies and existing tools are contributing for each challenge?
- Where is the synergy? Is there an overlap and/or complementarity?
Is there an opportunity for collaboration and reinforcement?
- Is there a gap? Which additional actions/strategies have been missing or could be helpful?

HURDLES/CHALLENGES FOR DCF SUSTAINABLE SOY (see Meta Meeting June 24)

1. LACK OF SCALE ON MARKET SIDE

- Scale will be the key to create impact on the ground. We need scale to enable markets to move together, and to create leverage. **To create scale, companies should work towards compatible goals.** Routes may differ but companies should be able to identify where they stand on their journey to DCF sustainable soy, to know what further steps to take and how to collaborate to achieve their commitments/ policy implementation.
- Companies should find support more easily on how to move forward e.g. building on the **example of frontrunners.**
- We also have a wide range of tools, which are valuable but also at times confusing for companies, companies need **clear guidelines and roadmaps**
- **Traders** play a particularly important role; they should be approached more strongly and consistently on what soy to deliver as they say clear asks are lacking.

2. FINANCE

- Producers need **longer term options and more flexible contracts** to invest in sustainability and/or certification.





Collaborative Soy Initiative

- **Real commercial negotiation on** what is needed to achieve deforestation-free supply chains is lacking: this is needed to move from commitments to implementation and enable scale.
- More **clarity on division of costs** is needed, especially in case of working towards physical supply chains.

3. LACK OF ALIGNED COMMITMENT AND UNDERSTANDING ACROSS ALL SUPPLY CHAIN ACTORS

- **Aligning on ambition along the supply chain is needed, Consensual, achievable targets and consistent asks are key.** Specifically: the initiatives, companies, and certifications, etc. need to have consistent ask to traders and producer groups of what is “good” and how it can be delivered.
- It is not only about **consistent ask to traders, but also about what is feasible**, where can we make progress. Conversations with traders need to happen.
- **Trust** building is important, and it takes time in this competitive environment.

4. ALIGN ENGAGEMENT STRATEGY WITH PRODUCER COUNTRIES/PRODUCERS.

- Despite the difficult times, several things are happening on the ground e.g. in Brazil that provide an environment for opportunities: the strong political will from Mato Grosso government, consensual PCI targets, public commitment to end illegal deforestation, investment, monitoring resources, a task force for CAR, projects to engage producers.
- We need **to engage farmers and producers in a positive and meaningful way**. We cannot do this without them. For instance, the communication on deforestation and conversion-free soy is delicate and needs to be handled with nuance. The signals we give on the ground need to allow us to continue.
- **Consistent signal and ask of what is required from the market is still missing.** Farmers are unclear what is expected from them.
- We need **a common language (guidelines) in the supply chain** so each actor can ensure and take the responsibility for their parts. For instance, companies that are closer to producers should help farmers. It is difficult to ask European companies to work directly with producers.

5. NEED OF MORE POSITIVE INCENTIVES

- Need to create positive incentives. The incentives can be direct financial payment, carbon credits, better/preferential access to finance. It can also be long-term engagement and relationship.

