



Fair supply chains are possible

Sustainable agricultural supply chains from production country to consumption country

Background

A **banana** in our muesli, our morning **coffee** and our favourite chocolate made of **cocoa** – most of us can't imagine life without them. But how do they get from their countries of origin to our kitchen table? Most products come to us through complex supply chains involving various actors. Those chains often begin with **people** who have to feed their families by cultivating raw materials. Companies procuring these raw materials often engage in a fierce **price war**, which is fought at the expense of people and the environment.

Along the supply chain **human rights are violated**. Workers often receive neither decent living wages **nor social security**. Smallholders do not earn enough to feed their families. This often makes it necessary for **children to work**, so they cannot go to school. To earn more income, farming families also extend their crop land and **forests are cut down**, even though they are extremely important to our climate.

Agricultural raw materials are everyone's concern

- Cocoa: on average, Germans consume **nine kilograms of chocolate** and other foods containing cocoa per person per year
- Coffee and bananas: Germans drink **162 litres of coffee** and eat **12 kilograms of bananas** per person per year
- Palm oil: 52 per cent of palm oil production is consumed by the energy sector
- Cotton and textiles: Germans throw away an average of 40 items of clothing per year

- Tyres, latex gloves, condoms and mattresses: **1.3 million tons of natural rubber were consumed in the European Union in 2018**, the largest single consumer is Germany
- Meat consumption: more than **80 per cent of soya beans grown worldwide are used as feed** for poultry, pigs, cattle and fish

THE GOALS OF OUR COMMITMENT

- The people at the beginning of the supply chain earn Living Incomes
- The environment is protected and forests are preserved
- The minimum social standards are observed in global supply chains
- Agricultural products are produced sustainably and traded fairly



What BMZ does

The German Federal Ministry for Economic Cooperation and Development (BMZ) supports initiatives that work toward making global supply chains more sustainable and fair. To that end, we bring together actors from politics, civil society, private business, industry and science. Some examples:

- ➔ German Initiative on Sustainable Cocoa (www.kakaoforum.de)
- ➔ Action Alliance for Sustainable Bananas (www.bananenbuendnis.org)
- ➔ Partnership for Sustainable Textiles (www.textilbuendnis.com)
- ➔ Sustainable Agricultural Supply Chain Initiative (www.nachhaltige-agrarlieferketten.org)
- ➔ Global Platform for Sustainable Natural Rubber (www.gpsnr.org)

Many challenges faced by farmers are not limited to just one region or one commodity. BMZ therefore pursues a **holistic approach** to working with a **range of raw materials and countries**. We look at the entire supply chains from production to consumption country. Thanks to a **combination of different measures** producers and processing plants, e.g. in African nations, are better integrated in sustainable global supply chains and development opportunities increase. The use and promotion of information and communication technology (ICT) provide additional help. For instance, digital information sharing increases transparency and fairness in sales with services like raw material prices via SMS.

Forest protection in production regions

In Indonesia and Côte d'Ivoire, BMZ supports the development of sustainable production regions in cooperation with the local governments, civil populations and companies. Farming, forest protection and economic development are addressed equally with a comprehensive approach to challenges.

The support of sustainable agricultural supply chains contributes to achieving these global sustainable development goals:

Published by the German Federal Ministry for Economic Cooperation and Development (BMZ)
Division 121 for international agricultural policy; agriculture; innovation

Contact RL121@bmz.bund.de
www.bmz.de

As at January 2020

Achieving Living Incomes

Living Incomes are an integral part of sustainable agricultural supply chains. They allow the people at the beginning of the supply chain to lead dignified lives and prevent child labour. BMZ is working with private businesses, governments and the civil population to develop strategies for improving the income situation of smallholders.

Setting standards of sustainability

Internationally recognised sustainability standards help to make agricultural supply chains sustainable and transparent. BMZ is committed to their continuous improvement. We cooperate with the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) to achieve greater transparency of standards.

Empowering women

Many households in rural areas of developing countries are led by women. Therefore, it is important to strengthen the role of women. We can do so by providing education and training, and by giving women a voice in the distribution of land and resources.



Women in the cocoa industry

PRO-PLANTEURS is a joint project of the German Initiative on Sustainable Cocoa, the Ivorian government and the Federal Government in Côte d'Ivoire. The project provides additional income opportunities for women, for example by growing additional fruits, raising fish and chickens, thereby giving families a reliable food source in addition to their income from growing cocoa.



Edited by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Programme Sustainable Agricultural Supply Chains and Standards

Photo credits © German Initiative on Sustainable Cocoa/Gaël Gellé