

# RAINFOREST ALLIANCE POLICY:

## Applicability to intermediaries in Cocoa, Latin America

*Document SA-P-LA-38*

*Version 1*

*English*

*Binding from October 1<sup>st</sup>, 2024*

*Published on July 11<sup>th</sup>, 2024*



The Rainforest Alliance is creating a more sustainable world by using social and market forces to protect nature and improve the lives of farmers and forest communities.

<b>Name of the document</b> <b>Document code:</b>		<b>Date of first publication:Version:</b>	<b>Expiration date:</b>
Rainforest Alliance Policy On Applicability to Intermediaries in Cocoa, Latin America		July 11th, 2024	Until further notice
<b>Linked to:</b>			
SA-S-SD-1 Rainforest Alliance 2020 Sustainable Agriculture Standard, Farm Requirements			
<b>Country / Region:</b>			
Latin American countries			
<b>Crop:</b>		<b>Type of certification:</b>	
Cocoa		Farm and supply chain certification	

<b>Applicable to</b>
Intermediaries

Policies are binding. Policies complement and/or supersede related rules or requirements for the parties they are applicable to.

*More information*

For more information about the Rainforest Alliance, visit [www.rainforest-alliance.org](http://www.rainforest-alliance.org), contact [info@ra.org](mailto:info@ra.org) or contact the Rainforest Alliance Amsterdam Office, De Ruijterkade 6, 1013AA Amsterdam, The Netherlands.

*Translation Disclaimer*

For any question related to the precise meaning of the information contained in the translation, please refer to the official English version for clarification. Any discrepancies or differences in meaning due to translation are not binding and have no effect for auditing or certification purposes.



# 1. INTRODUCTION

In some Latin American countries, cocoa is marketed through intermediaries from the farm level to the supply chain. According to the glossary for the 2020 Sustainable Agriculture Standard, intermediaries are defined as:

*"Any actor that trades (buys and sells) and/or handles Rainforest Alliance certified product for a Farm or supply chain Certificate Holder. Common examples of intermediaries in Rainforest Alliance certified supply chains are small traders such as "pisteurs" in Cote d'Ivoire or "manavs" in Turkey, who source from producers to supply a farm Certificate Holder. As they handle low volumes, Rainforest Alliance does not require intermediaries to be independently certified or registered in the Rainforest Alliance platforms. However, they shall comply with applicable requirements from the Rainforest Alliance Standard, and the certificate holder management shall take responsibility for their compliance."*

Under the context of the program, intermediaries must be included within the scope of the farm and/or supply chain Certificate Holder. Likewise, they must comply with all applicable requirements in their scope, depending on the activities they perform such as traceability among others, defined in the Certification Rules and the Sustainable Agriculture Standard.

As established in the certification rules, all entities (farms, sites, intermediaries, subcontractors, etc.), included in the scope of the certification audit, shall be considered for the selection of the annual audit sample by the Certification Body in accordance with the chapter "Audit Rules".

This policy aims to align the requirements of the Rainforest Alliance standard applicable to intermediaries in the context of cocoa production in Latin American countries. The requirements mentioned in this policy are intended to assist cocoa producers in the implementation of the Rainforest Alliance program.

# 2. TYPES OF INTERMEDIARIES INCLUDED IN SCOPE

Requirement 1.2.2 applies only to intermediaries who perform activities within the scope of the farm and/or supply chain CH and who may or may not perform physical handling of the product as a function of their activities.

Examples of intermediaries included	Examples that ARE NOT intermediaries:
<ul style="list-style-type: none"> <li>Legal or natural person independent of the organization that purchases product from certified producers and delivers it to the certified organization covered by the scope of the CH.</li> </ul>	<ul style="list-style-type: none"> <li>Collection centers managed by the same management system.</li> <li>Collection centers that are managed by a certified producer of the same group.</li> <li>Processing site where "transformation" of the certified product takes place.</li> <li>Warehouses (collection centers) managed by the same group.</li> </ul>

One of the important differences to highlight that exist within the certified product flow structures are the "collection centers", which, unlike intermediaries, have the following characteristics:

- a) The collection centers can be owned by the producer (this implies their management and administration) or of community disposition managed by a leader at the service of the CHs, intermediaries are third parties contracted outside the organization which can be natural or legal persons.
- b) Collection centers do not have contractual responsibility, unlike intermediaries, who must comply with a legal agreement.



### 3. DOCUMENTED MONITORING MECHANISM

Requirement 1.2.2 establishes that the certificate holder has a supervisory mechanism in place to verify that intermediaries comply with the requirements of the standard applicable to them.

The oversight mechanism must include at least the following elements:

1. Contractual agreement between the CH and the intermediary, which must include at least the following:
  - ✓ The intermediary shall be duly registered and/or incorporated as a natural or legal person.
  - ✓ Commitment to comply with the requirements applicable to the standard, mentioning and linking compliance by the intermediaries.
  - ✓ For those CHs which, within their organizational structure, have established that the payment of the SD/SI will be made directly by the intermediaries to the producers, the compliance with requirement 3.2.1 shall be included in the agreement. In order to comply with this requirement, the CHs shall have:
    - All product purchase and sale documents
    - Supporting documents of the intermediary's legal compliance with applicable requirements.
    - Supporting documents of the transfer of the amount of the SD/SI to the certified producers by the intermediaries.
    - Supporting document of receipt of the SD payment by the producers.
2. Inclusion of identified risks related to the intermediary's operations in the farm and/or supply chain, Risk Assessment (Annex S03 requirement 1.3.1).
3. Inclusion of relevant risk mitigation measures in the management plan.
4. Identify with geolocation point the intermediaries that will be evaluated to the CHs through requirement 1.2.10.
5. For the requirements applicable to the standard where there is mention and linkage of compliance by the intermediaries, the Certification Body shall provide information in the checklist on the findings and/or evidence of compliance or non-compliance with the requirement.
6. Verification by the Certification Body of the specific compliance with requirement 2.1.10 related to the calibration of the equipment used to define the weight of the product.
7. According to the Certification and Audit Rules, intermediaries must be evaluated at least once in the certification cycle.
8. The Rainforest Alliance reserves the right to make changes to this policy at any time as considered necessary.