SAI PLATFORM

FSA Accelerator: Russia (SUBERU)

Case Study

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The challenge

Russia has historically been a net importer of sugar, bringing in large amounts of cane sugar for internal use. Over the last four to five years, with government support, improved technology and investment from suppliers, Russia has become a massive producer of sugar beet, covering its national sugar needs and exporting the rest. **It is now the largest producer of sugar beet in the world, producing over 45 million tons annually** (FAOStat). The country is also a major processor of sugar beet into sugar; in 2019, it produced a total of 6.4 million tons of sugar (Statista).

IN 2017,

16%

OF THE SUGAR BEET GROWN IN THE WORLD

CAME FROM RUSSIA

The Russian sugar beet industry is comprised of two main sectors: beet growers and beet processors (FAOStat).

- **Beet growers** fall into two main categories: large private farms (mainly collectives) and factory-owned/operated farms.
- **Beet processors** include factories that process only beet and those that also refine raw sugar during the off-crop period.

Within the industry, however, there was no industry-aligned sustainability reference. In some regions, growers were required to comply with multiple standards, while in other areas there was no set standard at all. This made it difficult for growers to prove their sustainability to buyers, who have high quality and sustainability requirements. There was a clear need for a standard method of assessing and verifying on-farm sustainability.

To address this challenge, the Sustainable Agriculture Initiative Platform (SAI Platform), worked closely with buyers, suppliers, and farmers to create a common language and process around sugar beet sustainability. Within three years, all major suppliers had successfully implemented SAI Platform's Farm Sustainability Assessment (FSA) tool to evaluate and verify their sustainability.

> "The challenge was not so much to get farmers up to speed when it comes to reaching on-farm sustainability targets, but rather about getting the right governance structures in place and verifying the things that are already happening on the ground."
>
> Stella Constantatos, Senior Procurement Manager - Sustainable Sourcing, Unilever

The FSA Accelerator: Russia (SUBERU)

The FSA Accelerator: Russia was launched as a natural progression to the European Sugar Beet Project, which was successfully completed in 2017. Data collated through SAI Platform's Spotlight tool indicated that several SAI Platform members were expressing interest in creating a similar project in Russia.

> When we looked at extending our sustainable sourcing activities in Europe, we recognised a clear opportunity to replicate the success we had working with the European Sugar Beet Project. We were pleased to join the SUBERU Project with Russian sugar beet growers, and are very happy with the project's success.
>
> Rob Meyers, Sustainability Director, PepsiCo

Like the Europe Project, the Russia Project worked in a pre-competitive manner with the goal of creating a more sustainable sugar beet industry. This setting allowed competitors to collaborate and build stronger relationships with suppliers and farmers in a way that would not have otherwise occurred.

spotlight

SAI Platform created this online tool to drive collaboration and synergy of sustainable agriculture across global supply chains. Members use Spotlight to highlight areas of mutual interest, identify key priorities for specific crops or geographies and connect with like-minded companies.

Objectives of the FSA Accelerator: Russia

1. **Align buyers and sellers through a common approach to on-farm sustainability by providing support to farmers, specialists, agronomists, and processing companies.**

2. **Work with all stakeholders to create on-farm sustainability standards that could be implemented long-term.**

Key to this project was the Farm Sustainability Assessment, which allowed farmers to self-evaluate their on-farm practices using SAI Platform's online tool with an easy scoring mechanism. Following third-party verification, farms achieved Bronze, Silver, or Gold level equivalency that is used to benchmark existing sustainability levels, provide insight into existing gaps, and suggest areas for continuous improvement.

> The FSA system is quite easy. There are 112 questions where you answer yes or no, and the farmers did appreciate this simplicity. It is such a strong advantage that you do not need special software and don't need to make huge investments. You just need one person who knows how things are arranged at your farm to answer these questions.
>
> Elena Klimova, Consultant

Who's involved?

PRODUCERS

ПРОДИМЕКС

RUSAGRO group

S&D SUCDEN

ТРИО ГРУППА КОМПАНИЙ

BUYERS

agrifirm

BARRY CALLEBAUT

FERRERO

MARS

PEPSICO

Unilever

> "One of the reasons we got so actively involved was that Russia was not very active when it came to sustainability... that made it very difficult to talk with our suppliers about the concept. Having Mars and PepsiCo on board really helped us to gain a critical mass and to speak with one voice to the suppliers to say this is something that's important, not only to us but to all these other customers who you are delivering to."
>
> Sabine Fortmann, Sustainability Manager Sourcing EMEA, Barry Callebaut

Bringing the right people together

SAI Platform launched the FSA Accelerator: Russia in September 2018 by bringing together over forty relevant stakeholders representing major sugar beet buyers and suppliers. Held in Moscow, the one-day workshop focused on understanding the challenges and barriers to sustainable agriculture in Russia.

Collaboration was a critical component to the success of the project. By having so many key players in the same room right from the beginning, SAI Platform was able to ensure commitment from all sides and set out a path for the next 18 months. It was also important to communicate to suppliers that they would be supported throughout the process of FSA implementation.

Local coordinator Elena Klimova was tasked to meet directly with suppliers to determine the best way to implement the FSA with their farmers. Elena also provided on-the-ground assistance to the individuals completing the self-assessment including translation and technical support.

Meanwhile, project members met regularly to review current best practices, discuss industry challenges, and brainstorm ways to improve sustainability in the sugar beet supply chain. SAI Platform facilitated the training of local experts to continue this work long-term following the completion of the FSA Accelerator.

By the summer of 2020, all the participants had successfully completed their assessments and had been independently verified to FSA Silver or Gold level.

TIMELINE

SEPT 2018 – Meeting in Moscow

OCT 2018 – APRIL 2019 – Engaged local coordinator, supply chain and farmer training

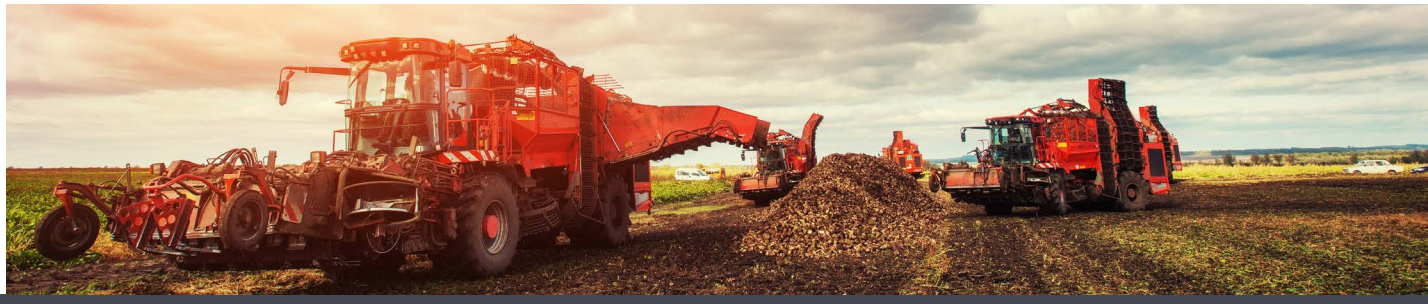
APRIL 2020 – FSA implemented successfully in majority of sugar beet suppliers in Russia

JUNE 2020 – All Farm Sustainability Assessments completed, independently verified, achieving Silver and Gold equivalency. This met the requirements for all buyers.

Mission accomplished

Within three years, SAI Platform's FSA Accelerator achieved its objectives of establishing a common, mutually beneficial approach to on-farm sustainability for Russian buyers and sellers. Stakeholders are now set up to repeat the process long-term with regular farm assessments and verification.

> "PepsiCo will be able to continue to monitor supplier performance in this area... Now we are well trained, well informed, well prepared. We have quite a good task force to continue this on our own."
>
> Anatoli Boujinski, Commodity Manager, PepsiCo (Moscow)



How we changed the industry

Achieved a critical mass of farmers and members in the industry.

Established the FSA as a benchmarking, self-assessment, and verification standard in the Russian sugar beet industry.

Facilitated closer relationships and increased transparency across the supply chain.

Assisted farmers by verifying their sustainable farming practices.

Assisted buyers in meeting sustainability requirements.

Improved overall sugar beet sustainability in Russia.

WHAT'S NEXT?

Like Russia and its sugar beet industry, many countries require buyers to purchase certain products locally. This presents an opportunity to replicate the FSA Accelerator model across the world. A similar project is already being developed in Turkey, where a group of buyers expressed interest in working with SAI Platform to repeat the success of the Russia project.

Organisations and consumers are becoming increasingly focused on sustainability. The pre-competitive model of the FSA Accelerator can be applied to crops and commodities outside of sugar beet farming. Its use of benchmarking, self-assessment, and verification have been proven to facilitate higher on-farm sustainability standards and industry collaboration, paving the way for expansion into other regions and crops.

> "In Turkey, we can only use Turkish sugar. That's why we want to replicate it everywhere because we're limited in our sourcing pool and therefore we need to develop those suppliers that we have for that plant."
>
> Sabine Fortmann, Sustainability Manager Sourcing EMEA, Barry Callebaut

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The Sustainable Agriculture Initiative Platform (SAI Platform) is the global food and drink industry platform for developing sustainable agriculture solutions through member-driven pre-competitive collaboration. SAI Platform works with its members and external stakeholders to catalyse change and establish sustainable agriculture as a pre-requisite for doing business throughout the food and drink industry supply chain.

www.saiplatform.org