



Prepared for the UK Roundtable on Sustainable Soya
November 2019

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Executive summary

In March 2018 an industry-led UK Roundtable on Sustainable Soya was convened by the UK Government through the Partnerships for Forest Programme, following the success of the UK Roundtable on Sourcing Sustainable Palm Oil which was created in 2012.

The purpose of this report is to provide an update on progress towards meeting the goal of the UK Roundtable. This report builds on a baseline study completed in 2018, prior to the launch of the UK RT and sets out our current understanding of the UK soya footprint in terms of volumes, source and sustainability credentials at a national level, as well as progress made by the members of the Roundtable.

Current position of UK imports, consumption and sustainability

The UK imports soya beans, meal and oil directly from producer countries and through inter-trade with Europe. Approximately 90% of the EU's soya is used to feed livestock and this is typically used in the form of soya meal.

In total the UK annually imports approximately **3.2 million tonnes** of soya bean equivalents directly in the form of soya beans, meal and oil. Of this figure, most soya is sourced from South America either directly (68%) or through the Netherlands, and from the USA. Furthermore, at least 0.6 million tonnes of additional soya are imported indirectly 'embedded' in products.

Between 2017 and 2018 we have seen a shift in UK sourcing volumes away from Brazilian soya to US soybeans, but the sources of soya meal (the majority of the UK's soya consumption) has remained static. This shift has been as a result of the US/China trade dispute, where the USA and China has imposed mutual 25% tariffs on a range of products. In practice, China effectively stopped purchasing US soybeans. The EU does not currently have import tariffs on soybeans and so, as US soybeans have become cheaper relative to Brazilian and Argentine soybeans after China's retaliatory tariff imposition, the EU has increased its soya imports from the US.

It is estimated that as of October 2019, **27% of soya consumed in the UK was covered by a deforestation and conversion free soya standard.**

This is a significant increase (12%) from the baseline report, which showed only 15% of soya was covered by a deforestation and conversion free standard. We anticipate that this figure will increase in line with the new or strengthened commitments made over the past year by eight major retailers and other UK RT members. When these commitments are fully implemented the combined tonnage could represent an estimated third of the UK's soya consumption alone.

UK Roundtable member progress

Since the launch of the Roundtable, there has been significant progress made by UK industry, with 8 of the major retailers either creating or strengthening their sustainable soya sourcing policies, representing 83% of the retail market share. When fully implemented these combined policies will represent a soya production area 2.5 times the size of London. There has also been significant support from other roundtable members including the major protein producers, who with the support of the Roundtable established the physical supply chain working group to collaborate on increasing the mass market uptake of sustainable soya and exploring how UK

industry could move beyond buying sustainable soya credits to more directly support soya producers.

Impact

Over the past year, there has been greater collaboration across UK industry and across Europe to improve data gathering and analysis across these areas. In 2018 the Retail Soy Group commissioned research on their individual supply chains, to provide greater understanding of soya sourcing and origin within retail supply chains, how soya is used across these supply chains and the status and verifiability of sustainability claims currently being made. At the October 2019 Roundtable, the AIC announced their plans to research the proportion of soya used by the various animal sectors with the support of their members.

Through the Amsterdam Declaration Partnership, the UK SSI has engaged with several other national initiatives, including the Netherlands, France, Germany, Sweden, Norway and Austria to develop a workplan of activities (including greater collaboration on monitoring and reporting) and towards a joint statement setting out a commitment to deforestation and conversion free soya and ways of supporting this goal. In September 2019, the Danish Soy Alliance was launched, facilitated by the Danish Initiative for Ethical Trade. The Alliance is the first of its kind in Denmark and has taken inspiration and learnings from the UK SSI and the Swedish Soy Dialogue approaches.

Next steps

There remain challenges, and in the coming year Efeca as facilitator of the Roundtable will strive to engage with sectors who are not currently well represented in the Roundtable such as food service as well as meat and dairy brands.

There is also a need to provide more support to UK producers, who must implement change while responding to a range of customer policies and plans. To support producers, Efeca will work with industry associations to develop sector specific plans to support industry achieve a mass market transition to deforestation and conversion free soya.

The next annual progress report will provide a final update on the UK's consumption of soya and Roundtable member progress towards the goal of the UK Roundtable. The next report will be published in October 2020.

1. Introduction

In March 2018 an industry-led UK Roundtable on Sustainable Soya (UK RT) was convened by the UK Government through the Partnerships for Forest Programme, following the success of the UK Roundtable on Sourcing Sustainable Palm Oil which was created in 2012. This soya Roundtable aims to facilitate the discussions of buyers and specifiers of soya in the UK and is supported by a wider UK Sustainable Soya Initiative.

Concerns about the impacts of soya production have largely focused on links to deforestation in South America. While a much broader range of environmental, social and economic factors have been considered and are important, there is a danger in setting a very wide scope that clarity of purpose and impetus for action is lost. For this reason, the focus of the UK RT, has been to focus from the outset on the deforestation and conversion agenda.

1.1. The UK Roundtable on Sustainable Soya

The role of the Roundtable is to provide buyers and specifiers of soya in the UK with a platform to provide:

- a renewed impetus for action on sustainable soya – *‘the need to act’*
- consensus around a framing goal and scope – *‘what we want to achieve’*
- stronger and closer collaboration on the practicable steps necessary to convert the Goal into action plans within supply chains – *‘what we need to do’*
- a means of tracking and communicating our progress *‘how are we doing?’*

Through private-public collaboration, the Roundtable aims to support long term sustainability of agricultural industries in producing countries and a *mass market* move to secure, resilient supplies of sustainable soya to the UK and the UK livestock industry.

The following goal was agreed by members of the UK Roundtable on Sustainable Soya at a meeting of members on the 12th July 2018, at the full launch of the UK RT following several working group meetings:

“The UK recognises the need to accelerate progress towards a secure, resilient supply of sustainable soya to the UK.

The UK Government supports Roundtable signatories’ commitment to soya that is legal and cultivated in a way that protects against conversion of forests and valuable native vegetation.

This will be achieved by signatories committing to:

- *Publish timebound plans, by April 2019, to achieve this;*
- *Meaningful and demonstrable progress towards this Goal by 2020”*

1.2. This report

The purpose of this report is to provide an update on progress towards meeting the goal of the UK Roundtable. This report builds on a baseline study completed in 2018, prior to the launch of the UK RT and sets out our current understanding of the UK soya footprint in terms of volumes, source and sustainability credentials at a national level, as well as progress made by the members of the Roundtable. This report uses the latest national data (calendar year 2018) and matrix of progress submissions collected over September 2019.

2. Background

2.1. The soya supply chain

Soybeans are a highly versatile globally traded commodity with a wide variety of uses including as a source of protein in livestock feed, directly as a food ingredient (e.g. tofu) and in products such as biodiesel and detergents.¹ In terms of global soya production, the majority of soya is crushed to form meal and the majority of this is fed to animals (see Figure 1 below). Soybean oil is also the second largest source of vegetable oil globally

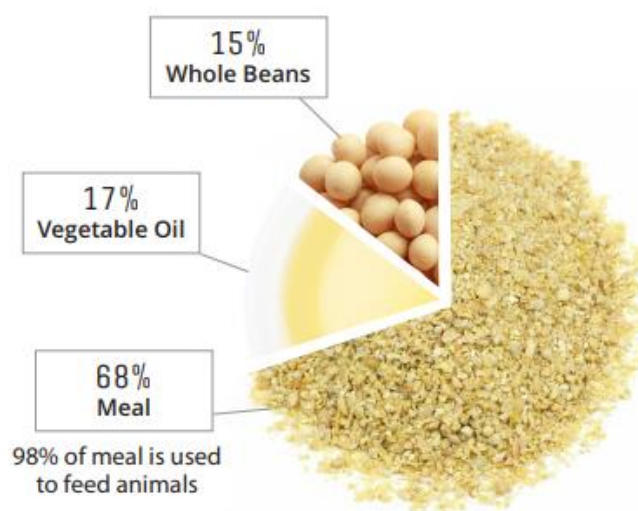


Figure 1 Global soybean production, by volume²

The largest producers of soybeans are the USA, Brazil, Argentina and China, Global production has more than doubled over the past 20 years, with the market now exceeding USD\$115 billion.³ The large increase in soya consumption can be attributed in part to the increase in global population growth but also to the rise in prosperity, leading to a growing middle class and increasing demand for meat.⁴ Approximately 90% of soya consumed in the EU is used in livestock feed, mostly as soya meal as this has a high protein content.

2.2. The scale of the challenge

Expansion in the production of commodities such as soya, timber and cattle ranching has been a significant driver in the loss of forest and other native vegetation in South America, with consequent environmental impacts (e.g. on biodiversity, carbon emissions and water systems) and social impacts (e.g. through poor practices in the application and use of pesticides and land speculation/land grabbing.) Inside the Cerrado, Matopiba is at the forefront of agricultural expansion, with the soybean area increasing by 253% between 2000 and 2014.⁵

¹ Engage the Chain <https://engagethechain.org/soybeans>

² Engage the Chain <https://engagethechain.org/soybeans>

³ Engage the Chain <https://engagethechain.org/soybeans>

⁴ Soy Barometer 2014 https://s3-eu-west-1.amazonaws.com/oneworld-wp/app/uploads/2017/03/07102143/141.105.120.208_dsc_wp-content/uploads_2014_04_Soy-Barometer2014.pdf

⁵ <https://advances.sciencemag.org/content/5/7/eaav7336.full>

Considerable efforts have been made to halt deforestation, through global-leading environmental legislation such as the Forest Code in Brazil and the Amazon Soy Moratorium, a cross-sector agreement that since 2006 has dramatically reduced forest loss in the Amazon Biome. More recently the Grupo de Trabalho do Cerrado (GTC) a collaboration of organisations representing the soya industry, consumer goods manufacturers and retailers, civil society, producer organisations and government and finance institutions has been working towards an agreement to ensure that Brazilian soya production in the Cerrado does not cause the conversion of native vegetation.

The scale of the challenge remains considerable. Recent fires in the Amazon, though not linked to soya expansion, have highlighted the need to strengthen efforts to protect globally significant forest systems, whilst at the same time recognising that this must be done in a way that secures long term benefits for farmers and local communities.

2.3. The role of supply chain actors - demand side

Businesses trading or using soya within their supply chain, whether in feed or as a direct ingredient in food products are under increasing scrutiny from NGOs, consumer groups, investors and government to ensure this soya is sustainably sourced.

In the UK, a significant number of leading companies have existing time bound commitments to eliminate deforestation that are approaching key implementation timescales (zero-net deforestation by 2020 in the case of members of the Consumer Goods Forum⁶) and are needing to demonstrate progress made and the remaining actions now necessary to make good on this commitment 'post 2020'. The UK government itself is a signatory to the New York Declaration on Forests and the Amsterdam Declarations under which the government is committed to supporting the private sector to transition to sustainable supply chains for agricultural commodities.

The imperative for accelerated actions to address deforestation is growing though there is an increasing recognition that solutions require multi stakeholder collaboration, beyond the influence of any single actor including those companies within soya supply chains.

⁶ <https://www.theconsumergoodsforum.com/initiatives/environmental-sustainability/key-projects/deforestation/>

3. Main Findings: UK soya imports

The UK imports soya beans, meal and oil directly from producer countries and through inter-trade with Europe. While soya oil can be used to produce biofuels, according to the UK Department for Transport only 0.04% came from soya sources in 2018.⁷ Approximately 90% of the EU's soya is used to feed livestock⁸ so this report will focus on soya used in animal feed.

3.1. Soya meal imports

The soya used in animal feed is typically used in the form of soya meal. The UK imports just over 2 million tonnes of soya meal per year, from the following countries:

Top exporters	2017		2018		
	Share in UK imports (vol) %	Quantity (tonnes)	Share in UK imports (vol) %	Quantity (tonnes)	Year on Year (YoY) volume change%
Argentina	63%	1, 213, 827	57%	1,145,475	-6%
Netherlands	15%	295, 843	15%	303,603	3%
Paraguay	10%	184, 831	11%	212,996	15%
Ireland	4%	78, 985	4%	73,581	-7%
China	2%	44, 620	3%	59,835	34%
Brazil	1%	33, 172	3%	59,104	78%
USA			3%	59,735	
Other countries	5%	67,110	5%	91,117	36%
Total		1, 918, 388		2,005,446	5%

The majority of the UK's imported soya meal is sourced from South American producers (71%). These countries produce 'Hi-Pro' soya, which has a higher protein content in comparison to soya grown in Europe and makes it more suitable for use in animal feed. Within South America various economic policies have made Argentina the top exporter of soya meal to the UK, whereas Brazil remains the top exporter of whole soya beans.

This year, the top exporting countries to the UK have remained unchanged, but there have been some changes in the volume of soya being imported from these countries, with a year on year (YOY) reduction in Argentinian imports (6% down) but an increase in imports from Netherlands and Paraguay. Overall, we have seen a small (5%) increase in total imports. The most significant year on year (YoY) change has been in soya meal imported from Brazil. While only 3% of the total UK import of soya meal, the volume of Brazilian meal has nearly doubled (78%). This is likely due to price fluctuations as a result of the US/China trade tariffs, which will be addressed in more detail below.

⁷ <https://www.gov.uk/government/statistics/renewable-fuel-statistics-2018-april-to-december-final-report>

⁸ <https://www.wwf.org.uk/sites/default/files/2017-10/Risky%20Business%20-%20October%202017.pdf>

3.2. Soybean imports

In 2018, the UK imported 744,797 tonnes of soya beans from the following countries:

Top exporters	2017		2018		
	Share in UK imports (vol) %	Quantity (tonnes)	Share in UK imports (vol)%	Quantity (tonnes)	Year on year (YoY) volume change %
Brazil	70%	526,018	60%	449,867	-14%
USA	23%	177,718	35%	259,294	46%
Canada	4%	33,677	1%	7,076	-79%
Belgium	1%	6,491	2%	14,121	118%
Ireland	1%	4,350	1%	8,242	89%
China	1%	4,030	1%	4,937	23%
Other				1,260	
Total		756,750		744,797	-2%

The soya beans imported into the UK are crushed, and the resulting meal typically used in animal feed.

This year has seen significant changes to the proportion of soya being imported from various producer countries, the most significant being a decrease in imports from Brazil and increase in imports from the USA. This is largely a result of the China/USA trade dispute. In July 2018, US President Trump's administration imposed a 25% tariff on a range of products imported from China, which Beijing promptly matched with a 25% import tariff on a selection of US goods, including soybeans. In practice, China effectively stopped purchasing US soybeans.⁹ According to mid-October 2018 federal data, Trump's 'America First' trade policies led to a 94% drop in US soybean exports to China compared to 2017's harvest.¹⁰ The EU does not currently have import tariffs on soybeans and so, as US soybeans have become cheaper relative to Brazilian and Argentine soybeans after China's retaliatory tariff imposition, the EU has increased its soya imports from the US. While there were several attempts to resolve the tariff dispute over 2018/19 the US-China trade relationship remains uncertain.

⁹ <https://www.china-briefing.com/news/the-us-china-trade-war-a-timeline/>

¹⁰ <https://www.independent.co.uk/news/world/americas/us-politics/trump-tariffs-soybean-china-trade-war-negotiations-xi-jinping-a8641671.html>

3.3. Soya Oil

The UK also imports a relatively small amount of soya oil, approximately 127,309 tonnes in 2018, a significant decrease of 37% from 2017 data. This reduction may be as a result of industry switching to alternative oils such as palm, rape or sunflower oil due to fluctuations in price. There has also been a market shift away from fried foods which may have had an impact on oil imports overall.

Top exporters (2017)	2017		2018		
	Share in UK imports (vol) %	Quantity (tonnes)	Share in UK imports (vol)%	Quantity (tonnes)	Year on year (YoY) volume change %
Netherlands	74%	151,642	70%	89,261	-41%
France	14%	27,778	9%	11,318	-59%
Spain	4%	8,857	5%	6,901	-22%
Germany	3%	6,394	1%	1,477	-77%
Russia	1%	3,000	6%	8,179	-173%
Finland	1%	2,058			
Belgium	1%	1,951	3%	4,316	121%
Ireland	1%	1,665	3%	3,712	123%
Other			2%	2,145	
Total		203,345		127,309	-37%

3.4. Inter-Europe trade

Soya is typically imported directly from producer countries as it is more cost effective. However, some of the UK's soya does come via inter-European trade, the majority coming as soya meal via the Netherlands (particularly via Rotterdam). This is unsurprising given the role of the Netherlands as a hub for international trade. Whereas in 2018 nearly 60% of Dutch imports were sourced directly from South American producers, in 2019 this figure fell to 49% (sourced from Brazil and Argentina). These were largely replaced by imports of bean and meal from the USA, and this change is likely driven by the China/USA trade war as described above see Figure 3 below:

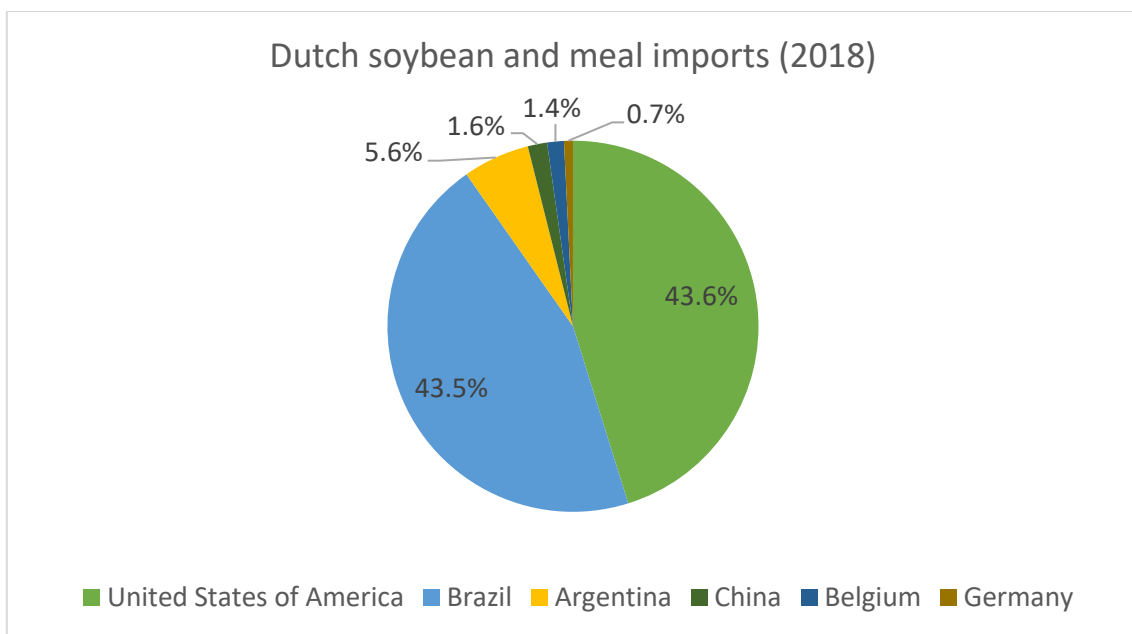
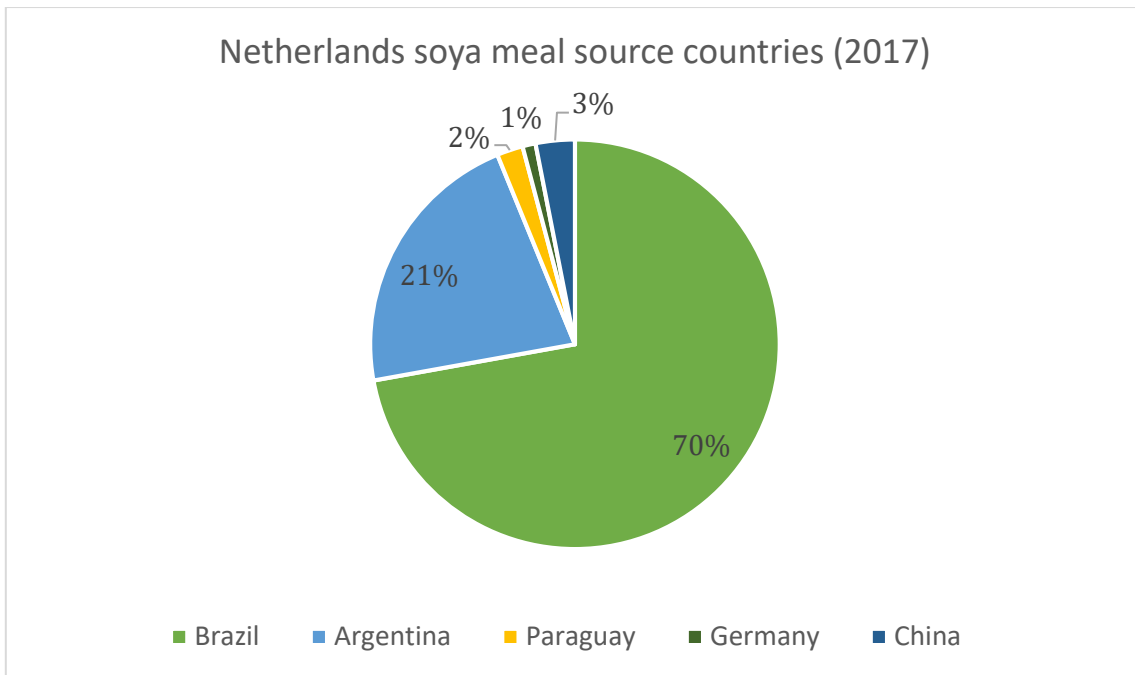


Figure 3 Top sources of soya meal for the Netherlands 2017 and 2018

3.5 Imported products containing soya: embedded soya

In addition to importing soya bean, meal and oil for consumption in the UK, each year the UK also imports products that will have soya ‘embedded’ within them, for example, poultry or pork which will be reared abroad on a diet including soya and then exported for consumption in the UK market.

To calculate the volume of imported ‘embedded’ soya there are several conversion factors available (for information on conversation factors see Annex A), which can be used to calculate a proxy value of soya as part of the whole product. Several of these conversion factors are set out in the table below; as can be seen, there is significant variation between different sources, most notably across beef. This may be a result of differences at a country level e.g. in countries

where cattle are reared predominantly on grass the reliance on soya will be much smaller. Within the UK we know that there will be variances across livestock sectors depending on the degree of home-mix vs compound feed used. For this reason, an average across the different sources has also been provided. This form of data analysis is continually being discussed and refined, and Efeca is currently working with Agricultural Industries Confederation (AIC) who are conducting a study on the volume of soya used by each animal sector within the UK, to support the whole supply chain to better understand their soya usage and sourcing.

	Volume of UK imports (000 tonnes, 2017)	Volume of UK imports (000 tonnes, 2018)	RTRS Conversion factor	WWF Risk Business report (2017)	Dutch Soy Barometer (2014)
Poultry	413,440	428,123	376,748	248,311	256,874
Pork	462,524	456,667	159,833	118,733	150,700
Cheese	491,820	516,734	77,510	72,343	155,020
Beef	274,606	284,910	82,624	51,284	113,964
Margarine	90,274	73,304	48,381		4,398
Eggs	90,562	33,374	1,001	10,346	1,201
Milk (per litre)	718,292	106,637	1,812.83	2,133	3,199
Soya volumes (estimate)			747,910	503,150	685,357
Average soya volume	656,436.08			645,472	

Based on the range of conversion factors above, the UK indirectly imports an estimated 500,000-750,000 tonnes of soya in the form of meat and dairy products, the majority of which is 'embedded' within imported poultry (45%) and pork (22%) see Figure 4 below. These percentages are largely unchanged from 2017: poultry (43%), pork (22%), cheese (15%) and beef (12%).

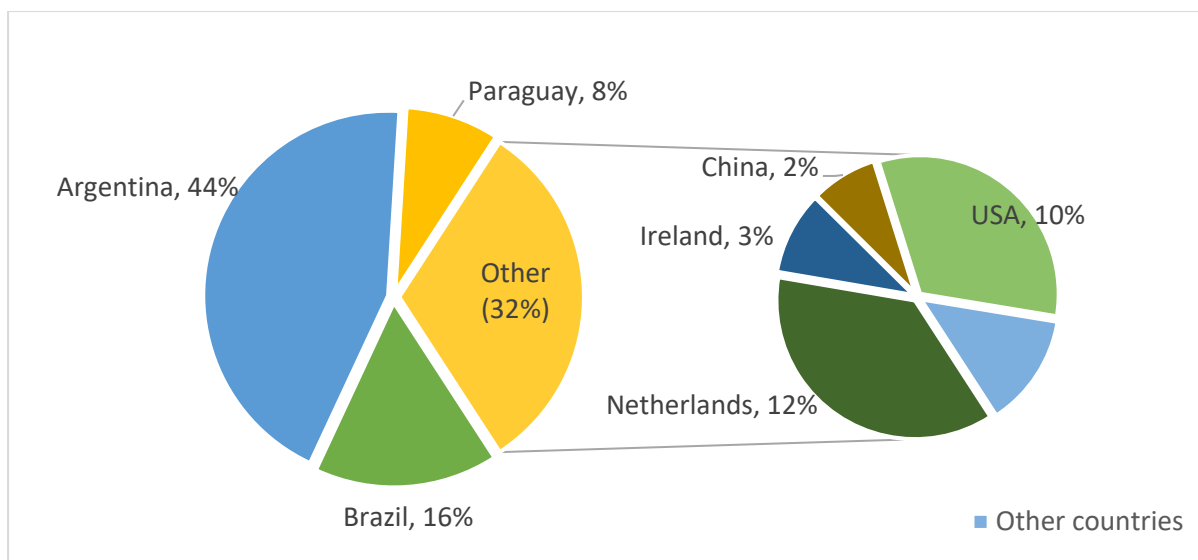


Figure 5 Breakdown of imported soybean equivalents by country of export

When the total soya bean equivalents figure is added to the average estimated volume of soya embedded in imported products, **the total volume of soya consumed in the UK is estimated to be 3.9 million tonnes.**

3.7 Sustainability

Estimating the proportion of soya imported into the UK that can be considered as being from a 'sustainable' source is problematic as there are a range of approaches taken to the definition of 'sustainable' in relation to soya across currently available sustainable soya certification schemes. For more information on certification schemes, see Annex B of this report.

The approach taken by Efeca is to

- Reference definitions developed by the Accountability Framework Initiative where available; and
- Look for measurable indicators that point to the application of sustainability criteria to sourcing decisions that support the key principles of the Goal of the Roundtable, namely ensuring *legality* and protection against the *conversion of forests* and valuable *native vegetation* for soya cultivation.

Efeca gathered confidential data submissions from UK soya buyers and specifiers and sense checked these findings with scheme owners to reduce the risk of double counting across the supply chain, for example reporting credits twice at a producer and retailer level.

Based on these confidential submissions, it is estimated that as of October 2019 **27% of soya consumed in the UK was covered by a deforestation and conversion free soya standard.**

Of the schemes reported by members, all were benchmarked as meeting the criteria of the FEFAC - Soy Sourcing Guidelines but going beyond these guidelines to specify no deforestation and conversion requirements. RTRS was the most commonly used scheme, representing 22% of the soya consumed in the UK, followed by Proterra (3%) and the trader owned standards e.g. Cargill Triple S, Cefetra Responsible Soy (CRS) and ADM Responsible Soybean Standard 2nd

edition representing 2% combined. Of this soya, nearly all was purchased within a credits-based system (where there is no physical link to the soya in the supply chain) but 2% of the UK's total soya imports was purchased as either mass balanced or segregated.

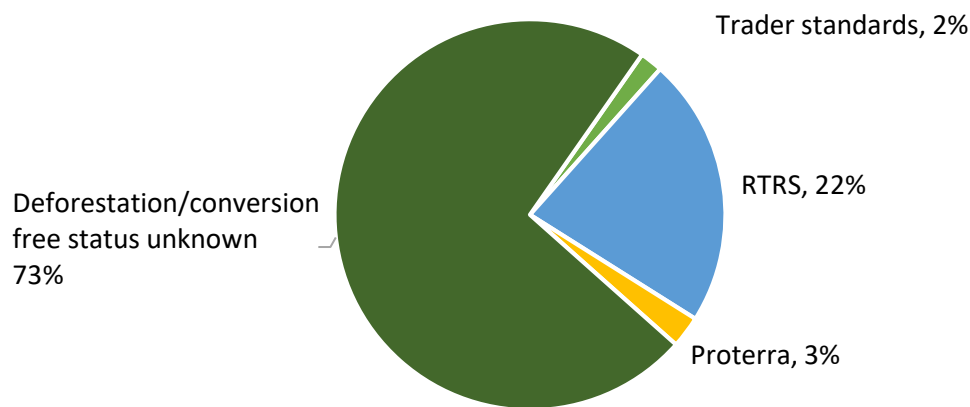


Figure 6 Breakdown of soya deforestation/conversion free status

This is a significant increase (12%) from the baseline report, which showed only 15% of soya was covered by a deforestation and conversion free standard. We anticipate that this figure will increase in line with the new or strengthened commitments made over the past year by eight major retailers and other UK RT members. When these commitments are fully implemented the combined tonnage could represent an estimated third of the UK's soya consumption alone.

4. Main findings: UK Roundtable on Sustainable Soya

Of the publicly listed members of the Roundtable at the time of this publication (22¹²), 82%¹³ completed Matrix of Progress to feed into this annual progress report. Within the matrix of progress, members are asked to provide an update on their progress over the year across four areas, assessment, policy, timebound plans and transparency (specifically implementation of their plans).

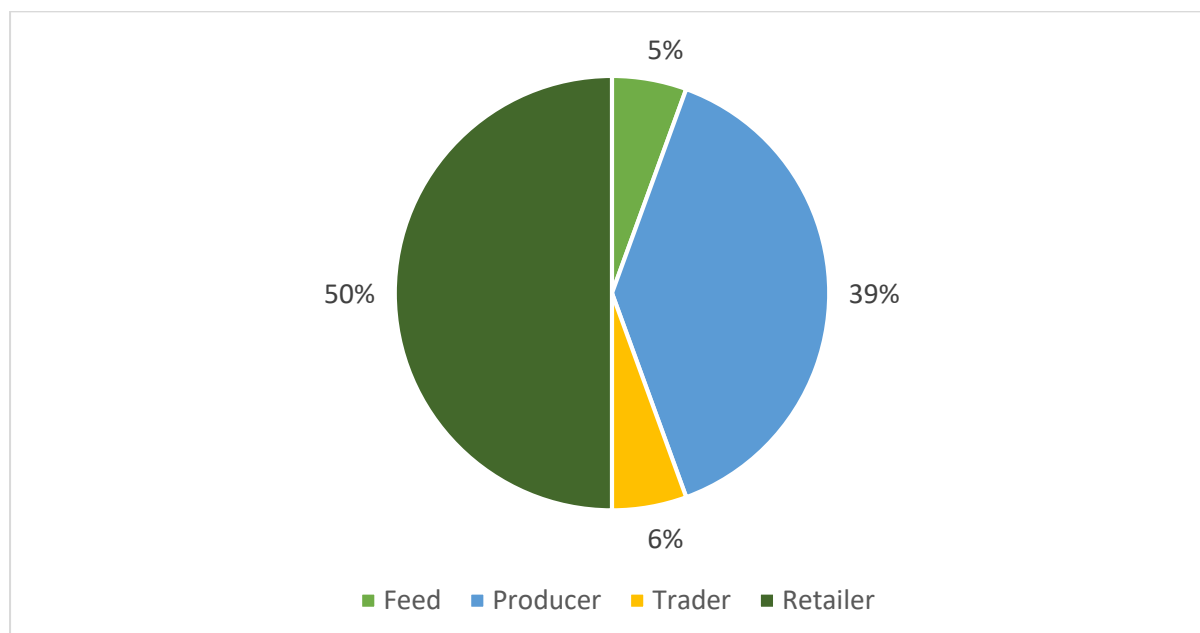


Figure 7 Breakdown of MoP submissions by sector

4.1 Assessment and policy

A risk and priority assessment is a preliminary review of soya usage within an organisation (or its supply chain) to better understand the organisation's 'soya footprint'. The aim is to identify where (in which products) soya may be used, approximate volumes and an understanding of countries of origin. This information can be refined over time but helps organisations to prioritise actions. Since the baseline report, 100% of those who submitted their matrix of progress report had conducted an assessment of soya used in their supply chain. This is a 25% increase from last year.

In 2018, approximately 50% of respondents had a policy in place, of which 60% of businesses included a commitment to the Amazon Soy Moratorium specifically and approximately 67% of businesses' policy commitments to sustainable soya also include a commitment to support wider social/human rights improvements.

¹² Please note, while there are currently 23 publicly listed members of the Roundtable, WWF UK is removed as they do not buy or specify soya directly. For the full list of members see https://www.efeca.com/wp-content/uploads/2018/08/UK-RT-on-Sustainable-Soya_signatories-Sep-19.pdf

¹³ It should be noted that some members have had key staff changes during the reporting window, and so while being active members of the Roundtable were unable to submit data for the baseline review.

In 2019, there has been a 9% increase in the number of policies, with a 9% decrease in non-respondents. It should be noted that of those who do not have a policy, some organisations have clearly taken action, for example purchasing credits in line with their soya usage. These are also members in the ‘mid-stream’ of the supply chain such as protein producers who can find creating a policy of their own challenging due to the need to respond to the policies of multiple customers including retailers and food service providers.

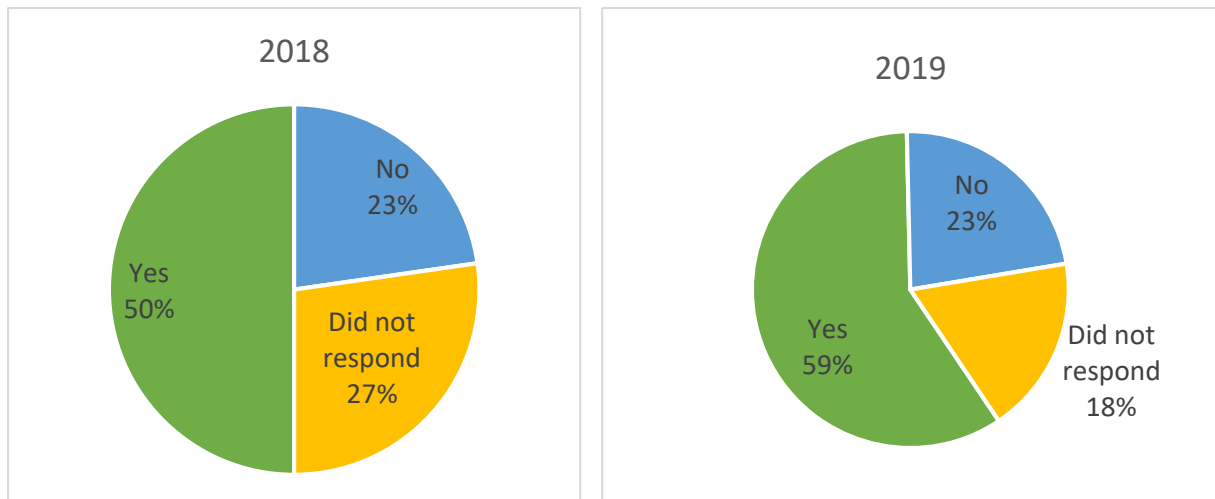


Figure 8 Breakdown of Roundtable members who have a soya sourcing policy

4.2 Timebound plans

In 2018 just over 20% of businesses had a timebound plan in place, and a further 23% had a plan in development, setting out the timescales over which they intend to progressively increase volumes of deforestation free soya in line with the Roundtable Goal and their own policy. In 2019 it is possible to see a clear shift in action and now half of members have a timebound plan in place. If we include those with a plan in development, nearly 60% of members have set out how they will support deforestation and conversion free soya in a timebound plan. Of those reporting, most have an ambition of 100% coverage of their supply chain with credit purchases by 2020, with an ambition to move to a physical supply chain of sustainable soya, for example using mass balance or alternatives to certification such as verified sourcing areas by 2025.

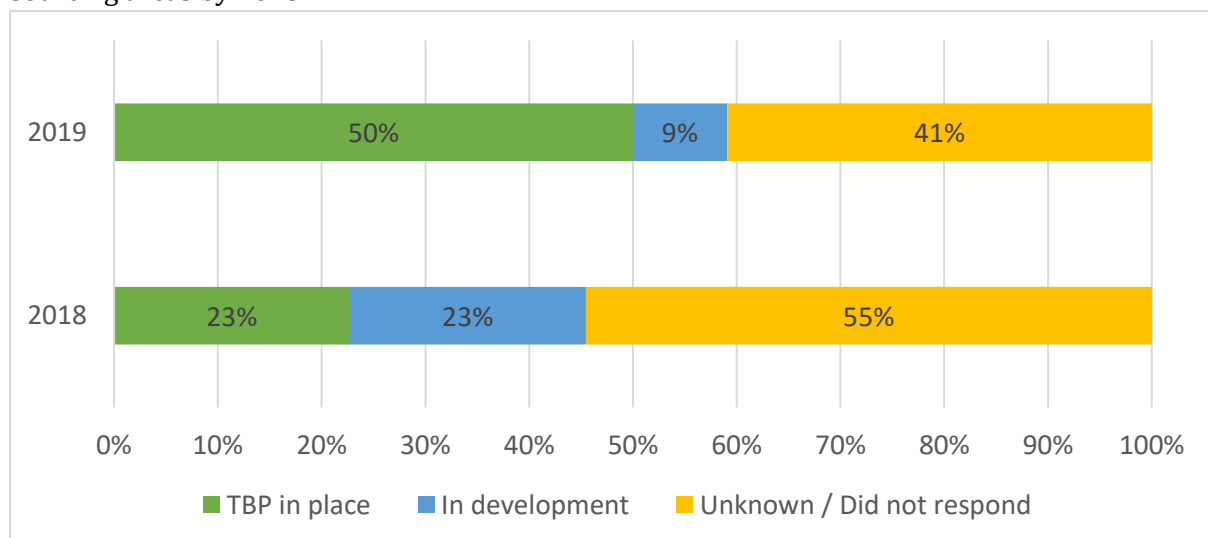


Figure 9 Breakdown of RT members with a timebound plan in place

4.3 Implementation

In 2018, most members reported that between 30-40% of their soya was sourced in line with their goal (if they had one in place). In 2019, we can see there has been a significant increase in members reporting 0-33% of their soya currently meets their policy due to the number of members that have developed a policy over the past year (in line with the goal of the Roundtable) and have now begun to implement it. We can also see an increase in the number of members who are claiming to source 100% of their soya to a deforestation or conversion free standard reflecting the decision by several members to purchase credits to cover their entire soy volume usage from the outset.

There has also been a decrease in members who submitted an answer of 'other' (for example those that claimed coverage through certification but were unable to provide quantitative data to support this claim) and those who submitted an MoP but provided no answer in this section. This is likely due to the increased interest in soya across the UK industry, from consumers and NGOs which has led members to conduct or update assessments of the soya in their supply chain. These assessments mean members have greater clarity and confidence in reporting soya usage. As in 2018, all respondents chose certification as their method of verification.

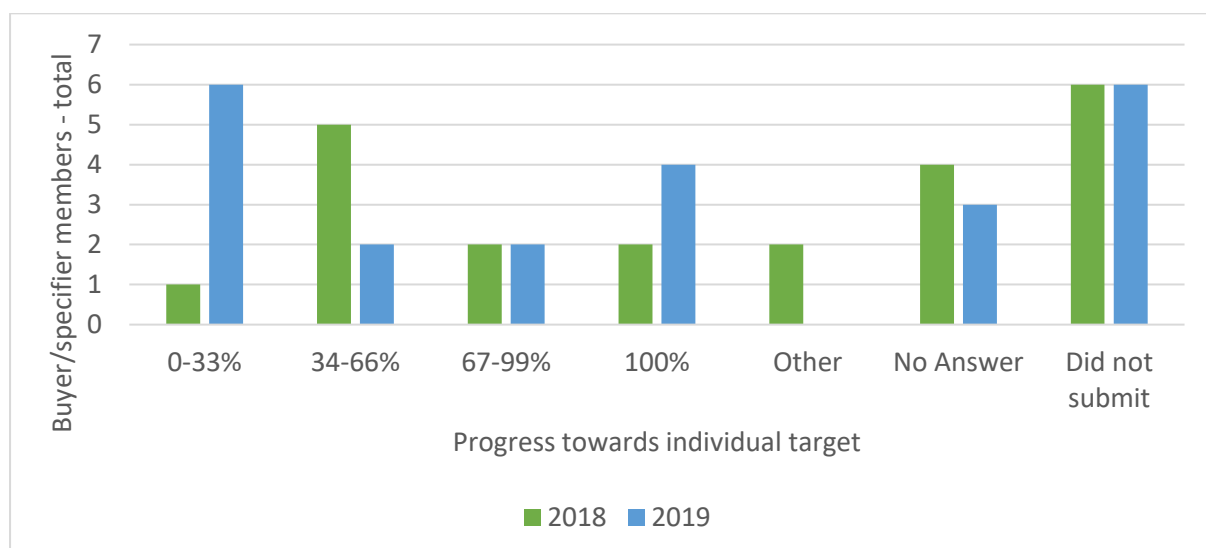


Figure 10 Breakdown of member progress towards their individual targets

4.4 Data challenges and opportunities

In the 2018 baseline report, three key challenges were identified by Efeca that if addressed would support a greater understanding of soya usage in UK supply chains. These were to better understand:

- volumes of soya consumption and the proportion of soya used by different animal sectors;
- embedded soya; and
- how to measure the impact of Roundtable members actions.

Over the past year, there has been greater collaboration across UK industry and across Europe to improve data gathering and analysis across these areas. In 2018 the Retail Soy Group commissioned research on their individual supply chains, to provide greater understanding of soya sourcing and origin within retail supply chains, how soya is used across these supply

chains and the status and verifiability of sustainability claims currently being made.¹⁴ The report showed feed as being responsible for 97% of the total soya embedded within retailers products. The report's findings also showed that 59% of the soya meal assessed came from companies that were able to provide primary data on their meal use (and this was most likely to come from those who reared livestock directly), with the remainder calculated using conversion factors. Recommendations from the report include the development of a data system to enable tracking and transparency and greater consistency across industry through the development of a long-term version and agreeing definitions of physical sustainable soya supply chains.

At the October 2019 Roundtable, the AIC announced their plans to research the proportion of soya used by the various animal sectors with the support of their members. This knowledge will allow UK industry to target their efforts where changes will have most impact and support the development of more specific proxy calculations of soya embedded in products. This work is currently underway, and the AIC are expected to report back early in 2020.

To continue exploring these challenges, a new working group was established by Roundtable members in July 2019 both to explore data and monitoring issues and more broadly to look at ways to promote wider take up of sustainable soya in the UK and support members in a transition beyond credits based compliance to physical supply chains of sustainable soya.

For progress made in relation to impact see 5.2 below.

¹⁴ https://www.3keel.com/wp-content/uploads/2019/10/3keel_soy_report_2019.pdf

5. Impact of the UK Sustainable Soya Initiative

For the UK Roundtable on Sustainable Soya to be meaningful, it is essential that it delivers an impact on the ground. The UK Roundtable forms part of the wider UK SSI which supports engagement and outreach to both producer and consumer countries and initiatives, as well as innovative platforms and tools. Through working within this wider context, it the UK hopes to support change at a broader level and thus achieve greater impact.

5.1 Supporting a mass market movement

Since the creation of the UK SSI, a key ask of Roundtable members has been for mass market uptake of sustainable soya. By creating a mass market movement, the UK SSI creates a level playing field and encourages stability of supply which lessens the risk of price fluctuations. It is also a strong market signal and call for action across the supply chain.

As facilitators of the UK SSI Efeca has supported outreach and engagement with other actors working on sustainable soya, including producer led initiatives, national initiatives in Europe and China as well as innovative thought leaders such as tool creators and multi-national projects. The UK SSI has drawn from these actors for example through the adoption of the principles of Accountability Framework Initiative but has also allowed the UK SSI to share lessons and support others.

Over the past year, Efeca has represented the work of the UK SSI and shared lessons at meetings of French and Danish sustainable soya initiatives. In September 2019, the Danish Soy Alliance was launched, facilitated by the Danish Initiative for Ethical Trade. The Alliance is the first of its kind in Denmark and has taken inspiration and learnings from the UK SSI and the Swedish Soy Dialogue approaches. Founding members of the group include Lidl, Aldi and Danish Crown (Europe's largest pork processing company and Denmark's largest beef processing company).

Through the Amsterdam Declaration Partnership, the UK SSI has engaged with several other national initiatives, including the Netherlands, France, Germany, Sweden, Norway and Austria to develop a workplan of activities (including greater collaboration on monitoring and reporting) and towards a joint statement setting out a commitment to deforestation and conversion free soya and ways of supporting this goal, hoped to be published early in 2020.

5.2 Impact of UK soya consumption: land use

According to USDA reports for Brazil and Argentina, on average one hectare of land can produce 3 tonnes of soya.¹⁵ Using the figure of 3.9 million tonnes of soya outlined above, the UK's land footprint associated with imported soya consumed in the UK equates to 1.3 million hectares of land. To put this in context, this area represents 60% of the land area of Wales.

In 2018-19 Efeca worked with the Stockholm Environment Institute and TRASE to understand the UK's soya footprint and indicators of associated environment risk. At the April 2019 Roundtable, Trase were able to share a map showing the UK's sourcing and deforestation risk associated with Brazilian soya. In this model, municipalities are divided into four categories, based on criteria relating to the volume of soya exports and the total amount of conversion of

¹⁵ <https://www.fas.usda.gov/commodities/soybeans>

forests/native vegetation taking place. This allowed Trase to identify 43 municipalities where UK soya sourcing coincided with a high level of conversion. The top three municipalities for the UK were Sapezal, Comodoro and Campos De Julio, all of which are in the state of Mato Grosso. While it is not currently possible to draw any specific conclusions on any direct relationship between soya production for the UK and conversion of landscapes in these municipalities this data could assist UK buyers in targeting future research or support. This was part of a larger piece of work for the Consumer Goods Forum Soy Buyers Coalition, which aims to support companies in implementing zero net deforestation commitments by building on relevant, credible initiatives that implement on-the-ground projects.

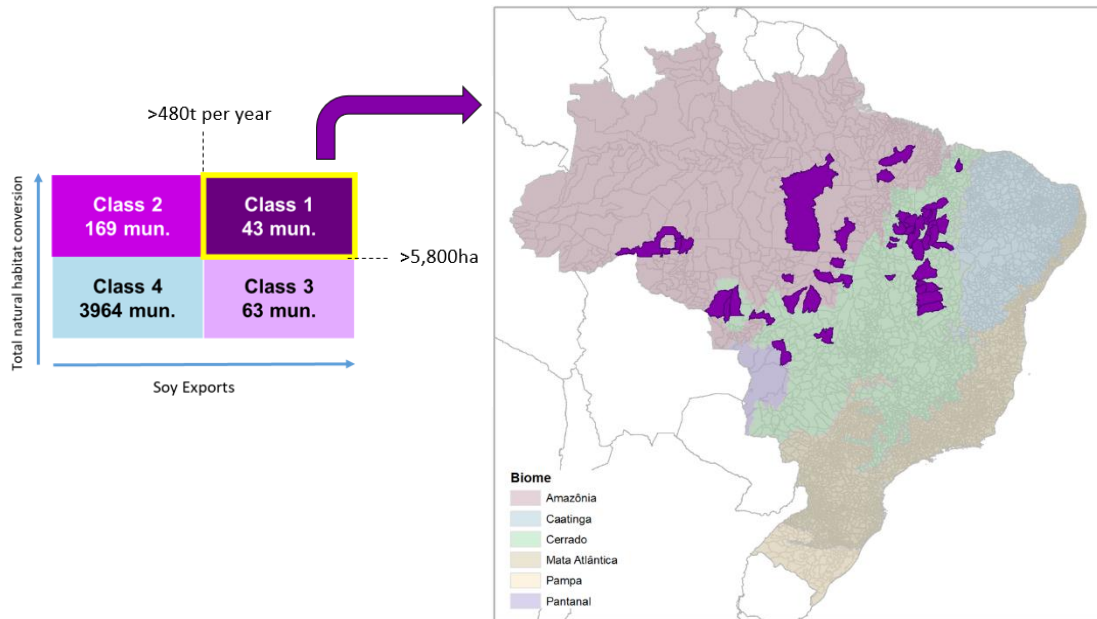


Figure 11 Map of UK key sourcing municipalities in Brazil (source: Trase, April 2019)

The UK SSI is also partnering with other projects funded by Partnerships for Forests, including:

- The Producers Rights Platform, which provides technical assistance to producers to support them in producing soya sustainably and gain market access to international buyers. According to the latest figures, the platform currently has over 400 producers registered in the state of Matto Grosso, who are able to produce 3.5 million tonnes of soya. While of course not all of this could be used to supply the UK, this shows the significant potential in creating long-term sustainable business partnerships to supply sustainable commodities.
- The Responsible Commodities Facility, which was launched in 2019 and is a mechanism which provides low interest loans to producers who grow soya on degraded land. By partnering with these projects, the UK SSI looks to see how producers already growing soya in line with the principles of the Roundtable could be connected to UK soya consumers

6. Conclusions

This report has shown in total, in 2018, the UK imported **3.2 million tonnes** of soya bean equivalents directly in the form of soya beans, meal and oil with at least an additional **0.6 million tonnes** of soya imported indirectly 'embedded' in products. While political changes such as the US/China mutual trade tariffs have resulted in a slight increase in soya coming from the USA, most of the UK's soya continues to come from Argentina and Brazil.

Since the launch of the Roundtable, there has been significant progress made by UK industry, with 8 of the major retailers either creating or strengthening their sustainable soya sourcing policies, representing 83% of the retail market share. When fully implemented these combined policies will represent a soya production area 2.5 times the size of London. There has also been significant support from other roundtable members including the major protein producers, who with the support of the Roundtable established the physical supply chain working group to collaborate on increasing the mass market uptake of sustainable soya and exploring how UK industry could move beyond buying sustainable soya credits to more directly support soya producers. Since the start of the Roundtable, there has been an 11% increase in soya sourcing that is deforestation and conversion free: 27% of the UK's soya now meets the goal of the Roundtable.

There remain challenges, and in the coming year Efeca as facilitator of the Roundtable will strive to engage with sectors who are not currently well represented in the Roundtable such as food service as well as meat and dairy brands. There is also a need to provide more support to UK producers, who must implement change while responding to a range of customer policies and plans. To support producers, Efeca will work with industry associations to develop sector specific plans to support industry achieve a mass market transition to deforestation and conversion free soya.

This year has also seen positive examples of outreach and engagement, with the UK Sustainable Soya Initiative being able to act as an example to other national initiatives, just as the UK learned from other existing initiatives such as those already developed in Sweden and the Netherlands. As the UK purchases a relatively low volume of the world's soya, building consistent European market messaging and shared ways of working is an important step in effecting change and supporting producers.

Over the coming year Efeca will also seek to continue building relationships with producer focused initiatives such as the Responsible Commodities Facility and the Producer Rights Platform, to better understand the needs of producers and support the development of long-term business partnerships.

The next annual progress report will provide a final update on the UK's consumption of soya and Roundtable member progress on achieving 'meaningful and demonstrable' progress by 2020. The coming year is a significant year for sustainability, with many companies having 2020 sustainability targets and the UK hosting meetings such as COP26 and acting as Amsterdam Declaration Secretariat. The UK Roundtable on Sustainable Soya and the supporting Sustainable Soya Initiative welcome this opportunity to achieve greater impact and to engage with others. The next report will be published in October 2020.

Annex A Soya consumption methodology

This section will explain the methodology used to calculate the estimated amount of soya consumed in the UK, in order to identify changes to UK sourcing and the progress of members towards meeting the goal of the UK Roundtable on Sustainable Soya.

The highly complex nature of soya supply chains and end 'uses' means that it can be challenging to accurately capture data on all products containing soya. For this reason, this report will be split into two parts, the first being a UK country level figure and the second a more specific analysis on the activity and progress of Roundtable members.

The national level reporting to follow focuses on soya beans, meal and oil imported into the UK, coming from both producer countries and inter-European trade. Where possible, additional data has been provided on imports likely to contain soya (such as meat products) from which a proportional soya value can be attributed. It should be noted that this will vary across supply chains and will be an estimated figure.

1.1. Data sources

Total volumes of UK imports of soya have been gathered using the International Trade Centre (ITC) Trade Map tool, which uses UN COMTRADE data to provide import/export information based on HS codes. Efeca has worked with the Agricultural Industries Confederation (AIC) which is the trade association and individual traders to ensure this data accurately reflects UK sourcing. Efeca has also consulted with a wider network of partners while producing this report including Trase and the Agricultural and Horticultural Development Board (AHDB).

The International Trade Centre (ITC) is an online service of a suite of tools, funded by the World Bank and the European Commission. It was developed to support global trading decisions, improve transparency and facilitate access to markets. The tools available include maps for trade, market access, investment, trade competitiveness and standards. For the purpose of this study, Efeca has used the Trade Map tool, and its associated datasets.

The Agricultural Industries Confederation (AIC) is the UK trade association for several sections of the agri-supply industry including 90% of UK animal feed, and 90% of UK grain and oilseeds. The association has over 250 members and represents £6.5 billion turnover at farmgate. The AIC supports collaboration throughout the food chain to support modern commercial agriculture in the UK.

Trase is a tool that aims to support governments, companies and investors who have made deforestation commitments to gain a greater understanding about trade flows and the source countries where their commodities originate. The tool aims to increase transparency, by linking exported commodities with production areas, and highlighting any perceived environmental and social risks. The tool currently supports sub national data for five countries (Brazil, Paraguay, Argentina, Colombia and Indonesia) across four commodities (soya, beef, coffee and palm oil) but undergoes continuous updates and developments. Soya data is currently available at a national level in Bolivia and Argentina (2013 to 2018, and a sub national level in Brazil (2003-2017) and Paraguay (2014 to 2017).

The Agriculture and Horticulture Development Board (AHDB) is funded by farmers, growers etc. in the supply chain via a levy and is independent of both commercial industry and government. The aim of the AHDB is to support British farming to be resilient and competitive on the global market, accelerate innovation and support industry in understanding the needs of consumers. As a result, AHDB undertakes a range of work including extensive research and development programmes, providing market information and undertaking marketing exercises both in the UK and export markets. The membership of AHDB is formed of six main agricultural areas, pork, dairy, beef and lamb, horticulture, cereals and oilseeds and finally potatoes. Poultry is not a focus of AHDB, but as AHDB has a working partnership with Defra some information related to poultry is included in its publicly available database.

The ITC trade map can provide more detailed breakdowns of soya (e.g. whole beans, meal, oil) and trade by country within Europe, the TRASE data can be used to support the ITC findings for imports of soya bean equivalents from producer countries and provide more detailed information as to the geographical source of the UK's directly imported soya. Once the soya has entered the UK market, this figure can be verified with AIC's member data. Defra's own import data can also be used via AHDB's data portal, to explore the volume of soya used in compound feed. Unfortunately, this dataset does not currently allow for soya used in feed to be split across the various animal sectors, please see section 4.7 Use of soya in the UK below for more information on this issue.

1.2. Indirect soya imports

Some soya consumed in the UK may be imported 'indirectly' for example, meat from an animal reared in another country and sold into the UK market.

To calculate the volume of soya associated with these products, proxy calculations can be used to provide a reasonably accurate estimate of the volume of soya that has been used to produce the volume of chicken, pork etc. sold to the UK. Proxy figures vary across different sets of research, and so Efeca has chosen to present a range of figures across a number of sources: RTRS¹⁶ (an independent 3rd party certification scheme), the Dutch Soy Barometer¹⁷ and WWF's Risky Business report.^{18,19} These conversion factors are intended to provide a proxy calculation for the proportion of soya in a product. For example, according to the WWF Risky Business report, 58% of the weight of a chicken product can be attributed to the volume of soya consumed.

¹⁶ <http://www.responsiblesoy.org/contribute-to-change/know-your-soy-print/?lang=en>

¹⁷ http://www.bothends.org/uploaded_files/document/Soy_Barometer2014_ENG.pdf

¹⁸ <https://www.wwf.org.uk/sites/default/files/2017-10/Risky%20Business%20-%20October%202017.pdf>

¹⁹ Please note, that the Risky Business report has used proxies based on a mid-range estimate from a range of sources.

Table A: Common conversion factors applied to soya (kg of soya per tonne of product).

	RTRS Conversion factor	WWF Risk Business report (2017) conversion factors	Dutch Soy Barometer (2014) conversion factors
Chicken	0.88	0.58	0.60
Pork	0.35	0.26	0.33
Cheese	0.15	0.14	0.30
Beef	0.29	0.18	0.40
Margarine	0.66		0.06
Eggs (per unit)	0.03	0.31	0.036
Milk (per litre)	0.017	0.02	0.03

1.3. Measuring Progress of Roundtable members

In the preparation of this report, information has been gathered from members using a questionnaire style document called the 'Matrix of Progress'.

The Matrix of Progress is divided into four key areas which enable members to highlight changes and progress made over the course of a year, but also act as a 'pathway' of steps towards the Roundtable Goal. The areas covered are:

- Assessment
- Policy
- Timebound plans
- Transparency

The Matrix of Progress requests a combination of qualitative and quantitative information and aims to recognise the range of different needs and goals of members. The matrix contains

- Core questions, which relate directly to the achievement of the Goal and are mandatory and
- A small number of 'additional' questions to allow those who have been exploring soya longer or wish to approach soya from multiple perspectives to show additional progress not covered in the core questions.

The information from individual member responses has been aggregated to enable Efeca to report on the collective position of members (to ensure individual members' commercially sensitive data is not revealed). To avoid double counting of soya volumes, reporting is measured against progress over time, rather than by supply volumes.

While some members are direct buyers and specifiers of soya, others are associations representing buyers and specifiers. For associations, rather than completing the matrix of progress, it was asked that they provide a short statement of their commitment and recent activity to communicate the goal of the Roundtable to their members. Finally, it should also be noted that for the purposes of this report, only publicly declared members of the Roundtable have been reported on. Other organisations that are currently working through the process of declaring their commitment to the Roundtable goal are not included in the findings of this report.

1.4. Assumptions

Due to the complexity of the supply chain, and data currently available, several assumptions have been made.

As well as using publicly available data, some individual Roundtable members have kindly provided data in confidence to support findings at a UK level. We have accepted this information without significant verification.

The total figure of imported soya meal reported varies between the various organisations reporting on soya trading, due to differing methods of data collection, the time of year reporting takes place, and choice of HS codes. For this reason, this report favours ITC data, as HS codes can be selected by the user and any assumptions or corrections made to the data is clearly identified.

Where data has either been unavailable, or too complex to analyse at this time, proxy figures have been used to calculate estimates of soya usage. This is seen in the section regarding embedded soya in products such as compound feed and finished goods.

A rapid analysis of exports showed that exports of soybean, oil and meal were relatively small, and therefore it is assumed that most soya imports are consumed in the UK.

Annex B Soya certification schemes

There are many certification schemes that offer verified sustainable soya sourcing. While there are too many available to list here, these are some of the schemes used in the UK. Also included here is an introduction to the FEFAC Sustainable Soya sourcing guidelines, as while this is not a scheme it is a benchmark for soya standards.

FEFAC Sustainable Soy Sourcing Guidelines

FEFAC is the independent spokesman of the European Compound Feed Industry at the level of the European Institutions. FEFAC membership consists of 23 national associations in 23 EU Member States as full members as well as Associations in Switzerland, Turkey, Norway, Serbia and Russia with observer/associate member status.

The FEFAC Soy Sourcing Guidelines²⁰ are a professional recommendation to operators in the European feed industry who wish to purchase soya that is considered to be responsibly produced. The Guidelines consist of a set of minimum requirements related to the good environmental, social and agricultural practices of soy production. Currently, 17 schemes have met the benchmarking process, and these are listed on the FEFAC website, and the ITC Standards Map webpage.

RTRS

The Roundtable on Response Soy (RTRS) has been working to enable soya producers, civil society and industry to have a global dialogue on sustainable soya production since 2006. Stakeholders membership is made up of participant members (producers, industry, trade and finance and civil society organisations) who have voting rights and observer members. In 2016, RTRS certified just over 3 million tonnes of soya, and sold 1.9 million credits and 95,000 tonnes of mass balance soya in 2016.²¹

ProTerra

ProTerra aims to demonstrate transparency and commitment to sustainability throughout the supply chain, and specifically non-GMO status. In 2016, Proterra certified 3.8 million tonnes of soya globally. The ProTerra Standard for Social Responsibility and Environmental Sustainability is based on the Basel Criteria for Responsible Soy Production and is applicable to all stages of the supply chain (production, transport and storage, processing and chain of custody. The standard contains requirements designed to protect the Amazon and other HCV areas, promote good agricultural practice and ensure rigorous non-GMO requirements. The standard also aims to support good labour practices, including equal opportunities, the protection of the rights of communities, indigenous people and smallholders.

²⁰ FEFAC Soy Sourcing Guidelines <https://www.fefac.eu/file.pdf?FileID=65744>

²¹ <http://www.responsiblesoy.org/wp-content/uploads/2018/06/InformeGestion-ING.pdf>

ISCC PLUS

ISCC PLUS is a certification system for traceable and deforestation free supply chains for all types of agricultural and forestry raw materials, waste and residues, non-bio renewables and recycled carbon materials and fuels. Sustainability requirements include the protection of land with high biodiversity value or high carbon stock and more generally the protection of soil, water and air. The ISCC PLUS requires safe working conditions, compliance with human, labour and land rights, as well as compliance with laws and international treaties. In addition, for companies interested in Non-GMO soya, ISCC offers the possibility to extend the certification to Non-GMO for the whole supply chain, whereas GHG emission calculation can also be added on a voluntary basis under ISCC PLUS.

Trader schemes

Increasingly traders selling business to business are required to demonstrate the environmental merits of their soya, and ADM, Bunge, Cargill and Cefetra all offer soya produced to their own sustainability standard. Generally, trader schemes are, third party-assessed, but the standard is operated and governed by the trader as opposed to a multi-stakeholder group.

All four standards cover areas relating to environmental, social, economic and ethical impacts of soya production. All four require legal compliance as a compulsory prerequisite and are benchmarked against the FEFAC soy sourcing guidelines. The degree to which deforestation and conversion of 'valuable native vegetation' is addressed varies, particularly with relation to conversion of valuable native vegetation (non-forest landscapes), for example, the Cerrado.

In October 2018, on behalf of Roundtable members Efeca created a short piece of work to "provide comparative information on how each of the most prevalent sustainable soya certification schemes addresses the issue of forests and native vegetation conversion, which is the agreed core initial focus of interest for the UK Roundtable on Sustainable Soya".

The work was not intended to provide a 'ranked' listing of schemes or a selection of 'approved' schemes for the UK RT but to help those members wishing to adopt a standard(s) to make an informed choice as part of their overall soya sourcing plans and in line with the Goal of the UK Roundtable on Sustainable Soya. This work is currently being updated. For more information, please contact info@efeca.com