Beyond the Boy Scout's sleeve: a personal review of ethical certification

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Abstract

This article reviews the history of third-party ethical certification of food and drink, concentrating mainly on organic and Fairtrade. The strengths and weakness of the approaches taken to date are reviewed. The author includes his personal experience of such schemes gained over the last thirty years. From this, he concludes that third-party certification has not delivered sufficient benefits to producers. He notes the challenge posed by new schemes designed and owned by large food processors and multiple retailers. The article concludes that it may be better to think of third-party certification as a first step rather than a destination.

Keywords: ethical certification; third-party certification

Introduction

I have devoted my entire professional career to developing food and drink products that are covered by third-party, independently verified ethical certification. I have also spent decades working with NGOs and governments to develop, refine and implement the legislation and standards that regulate this world. And yet, after 30 years, I am beginning to question this model. And I am not alone. Commercial organisations such as manufacturers and retailers are moving to other systems: certification bodies are evolving the way they do business.

I first heard the term 'Boy Scout's sleeve' used by an exasperated UK supermarket buyer to describe all the different logos he was expected to feature on the packaging of his own-label products. Vegetarian, vegan, gluten-free, organic, Fairtrade – to him the list seemed endless. His view was that the sheer number and diversity of on-pack certification logos served only to confuse and demotivate consumers. This article is an attempt to unpack such issues and review alternative courses of action. I assess where we came from, where we are now and where we might go in the future. And I try to answer the question: what difference does it make?

My Life in Ethical Certification

In the late 1980s, I was development director at Whole Earth Foods Ltd., the first UK company to develop processed foods that used organic ingredients. I was working closely with the Soil Association as our organic certifier and found myself increasingly drawn into the workings of the Soil Association itself. Starting off as a member of its processing committee, I also chaired the ethical standards committee, served on the management committee and helped with the Organic Food Awards. This culminated in a stint on the Soil Association Council from 2001 to 2007. I remain a member of the Soil Association Standards Board to this day.

During my time at Whole Earth, we had the idea for a range of organic chocolate to be called Green & Black's, which launched to instant success in 1991. I then helped to develop the first product in the United Kingdom to carry the Fairtrade mark, Green & Black's Maya Gold. The book *Sweet Dreams* (Sams & Fairley, 2008) gives a very entertaining account of this period. Launched on 9th March 1994, the bar is still on sale today. I left the Green & Black's/Whole Earth empire in 1995 and set up OF+, advising a variety of companies on how they could take advantage of the rapidly developing market for sustainable food. In 1997, I received a call from Pauline Tiffen, then working with the inspirational Robin Murray at an extraordinary company called Twin Trading, who were the powerhouse behind Cafédirect and who wanted to develop a range of mainstream Fairtrade chocolate bars. We achieved this with Divine, launched in October 1998 – another commercial success. I then helped Twin to develop and launch Liberation Nuts before joining the Certification Committee of The Fairtrade Foundation in 2009. I became a full Board Member of the Fairtrade Foundation in January 2019.

Organic Certification

The certification of organic food and drink is fundamentally different to all other forms of ethical certification in that it is enshrined in law, not just in the United Kingdom but all over the world. Crucefix and Blake (2000) give a thorough account of how organic certification developed. They note that the initial European Union (EU) Regulation 2092/91, published in 1991, was heavily indebted to both the standards of International Federation of Organic Agriculture Movements (IFOAM), first published in 1980, and those of the Soil Association, which were even earlier, first being published in 1967.

The rationale for 2092/91 recognised:

- the developing market for organic foods;
- the price premium for organic foods;
- the environmental benefits for organic production; and
- the previous existence in some member states of organic standards (France, Spain and Denmark all had national organic legislation in place pre-1991).

The regulation set out a number of provisions:

- Organic production can be well defined and minimum standards should be specified.
- The regulatory framework should be flexible and amendable.
- Clear guidelines were needed to prevent contamination.
- Verification of the complete product chain was needed.
- There should be a uniform system of inspection and a community-wide logo.

What the regulation did not attempt to do was define an organic product. Instead, it defined organic production, so that in law an organic product was defined as the end result of organic production. Organic production was defined by the regulation, which established a 'floor' below which organic production could not go. No attempt was made to establish a 'ceiling', allowing EU organic certifying bodies to develop their own standards specifying, for example, levels of animal welfare considerably more advanced than those specified by the regulation. An example here was the Soil Association organic poultry standards, which required smaller flock sizes and lower flock densities than required by 2092/91. The intention was an attempt to align organic practice with consumer expectations; the reality was an expectation that consumers would distinguish between differing standards offered by different certification bodies, which in retrospect seems naïve and was certainly unsuccessful.

The EU has continued to develop (if not improve) its organic legislation, with the requirements of a new Organic Regulation applying from 1st January 2021. Organic-Market.info were forthright when they reviewed the coming changes (Fruschutz, 2017):

> The threshold value of 0.01 mg/kg for pesticide residues in organic products, originally planned by the EU Commission, has been negotiated away. However, EU states that have incorporated such a threshold value in their national law are

> permitted to retain it. Four years after the Regulation enters into force – which means in 2024 – the Commission will produce a report. So the issue will automatically be on the agenda again.
>
> Following the logic of the new EU Organic Regulation, organic farmers are themselves to blame if their fields and products are contaminated by toxic sprays used by their conventional neighbours. This is why they are told they should protect themselves by means of 'appropriate and reasonable precautionary measures'.
>
> From the outset there was consensus among the EU institutions: organic imports from third countries into the EU will in future only be allowed if the farmers in the exporting countries adhere in every detail to the stipulations of the EU Organic Regulation. Existing equivalence agreements will expire within five years and will have to be renewed. This applies to the so-called recognised third countries like India, Argentina, Israel and Canada. *BÖLW* chairman Felix Prinz zu Löwenstein describes the consequences: '82% of all certified organic farmers live in Africa, Asia and Latin America. Exporting to Europe will be made more difficult and in some cases impossible for these small farmers. That means we cannot fulfil our development policy obligations.'

Fairtrade Certification

Unlike organic regulation, Fairtrade certification is not underpinned by legislation – a crucial difference that has proved to be both a positive and a negative. Positive because Fairtrade schemes have been designed to address specific issues without the need to achieve international governmental agreement, allowing the certification development process to be more nimble and responsive. Negative because a plethora of schemes competitive to Fairtrade have been developed that occupy the same consumer-facing space but do not address some of the challenging issues addressed by Fairtrade, especially the issue of guaranteeing farmer income.

The first Fairtrade label, Max Havelaar, was launched in 1988 under the initiative of Nico Roozen, Frans van der Hoff and Dutch ecumenical development agency Solidaridad. The initiative was groundbreaking as, for the first time, Fairtrade products (in this case, coffee) were sold in supermarkets and mass retailers, thereby reaching a larger consumer segment. Fairtrade labelling also allowed consumers and distributors alike to track the origin of the goods to confirm that the products were genuinely benefiting the farmers at the end of the supply chain. The initiative was replicated in several other markets: in the ensuing years, similar non-profit Fairtrade labelling organisations were set up in other European countries and North America, called variously Max Havelaar, Transfair and Fairtrade.

Initially, the Max Havelaars and the Transfairs each had their own Fairtrade standards, product committees and monitoring systems. A process of convergence among the labelling organisations culminated in 1997 in the creation of Fairtrade Labelling Organizations International (FLO). FLO was an umbrella organisation whose mission was to set the Fairtrade standards, support, inspect and certify disadvantaged producers and harmonise the Fairtrade message across the movement.

In January 2004, FLO was divided into two independent organisations: FLO International, which sets Fairtrade standards and provides producer business support, and FLO-CERT, which inspects and certifies producer organisations. The aim of the split was to ensure the impartiality and the independence of the certification process and compliance with ISO 65 standards for product certification bodies.

At present, over twenty labelling initiatives are members of FLO International. There are now Fairtrade certification marks on dozens of different products, based on FLO's certification, including coffee, tea, rice, bananas, mangoes, cocoa, cotton, sugar, honey, fruit juices, nuts, fresh fruit, quinoa, herbs and spices, and wine. FLO was increasingly referred to as Fairtrade International from 2010.

Case History: Cocoa Certification

Past . . .

Green & Black's quickly became a highly successful organic brand in the United Kingdom. How much of its success was down to it being a certified organic product was debatable. Successive Green & Black's marketing directors told me that Green & Black's sold so well because it tasted fantastic. However, organic had an important secondary role to play. Consumers apparently believed that because they had bought a product that was doing good at an environmental level, this gave them permission to indulge in great-tasting chocolate. Thus, the organic credentials of the brand negated guilt, driving repeat purchase. Successive brand owners commissioned consumer research that they hoped would justify ditching the organic certification – it never happened.

. . . present . . .

On both a personal and a professional level, I was disappointed in 2017 when Mondelez launched Green & Black's Velvet, a non-organic and less distinctive version of the existing range. Although non-organic, Green & Black's Velvet did carry on-pack certification for Cocoa Life, a 'holistic sustainability program' owned by Mondelez. This is representative of what has happened to certification. Since 1994 Green & Black's has been dual-certified as organic and Fairtrade, making it an obvious choice for the ethical consumer. The huge success of Fairtrade and (to a lesser extent) organic has brought a number of significant issues into public consciousness including deforestation, genetic modification, pesticide abuse and falling farmer income. In the light of considerable pressure to address these issues, Mondelez and other multinational chocolate companies began to engage with ethical certification to the point where most branded chocolate bars in the United Kingdom carried at least one logo.

I know from personal experience that negotiating product approval with bodies such as the Fairtrade Foundation and the Soil Association can be a frustrating experience. The certifying bodies need to be thorough, as public confidence in their on-pack logos will only be sustained if the systems and procedures that establish compliance are sufficiently robust and impartial. When large supermarkets become involved, timescales are always a challenge. And there is always a chance your application will be refused.

In my experience, large multinational companies do not enjoy uncertainty. Their response was to develop their own certification schemes, which they owned and ran. Cocoa Life was developed 'in partnership' with the Fairtrade Foundation and the long-term aim is that all of Mondelez's cocoa will be sourced through Cocoa Life. The company's global director, Cathy Pieters, has said: 'Fairtrade really took the time to scrutinise Cocoa Life on every level. They mapped our programme on their own principles and only after that process did they say they were willing to work with us' (O'Mahoney, 2018).

Barry Callebaut has its Cocoa Horizons Foundation, which funds farmer training, farmer support, innovative finance, initiatives to protect children, access to education, woman's empowerment and basic health services. The Cargill Cocoa Promise specifies that Cargill will aim to source 100% sustainable cocoa by 2030, working with Fairtrade, Utz and Rainforest Alliance as certifiers.

. . . and future

In 2017, the retailer Sainsbury's – the largest Fairtrade retailer in the world – ended up at loggerheads with the Foundation over tea. According to O'Mahoney (2018), in May 2017, Sainsbury's switched the certification of its own iconic Red Label tea from Fairtrade to Fairly Traded, a scheme which it has developed itself. Within a month, campaign groups had staged a protest outside Sainsbury's Annual General Meeting (AGM), and 100,000 customers had signed a petition in protest:

> Central to the Fairly Traded debate is the payment of premiums. While Fairtrade premiums are paid directly to grower communities which can then spend as they wish, Fairly Traded premiums are managed by the Sainsbury's Foundation. The foundation then works alongside farmers to produce an action plan for how the money should be spent. Fairtrade says this removes farmers empowerment, a core principle of the Foundation.

Sainsbury's announced from the onset that Fairly Traded tea would be a pilot, although they gave no indication of how and when the success of that pilot would be evaluated. Campaign groups such as Banana Link were concerned that all Fairtrade products might be moved to Fairly Traded. Since Sainsbury's currently accounts for 27% of the UK Fairtrade market, the economic effect of this would have been significant. However, as of

February 2018, the retailer says it has no plans to extend its scheme beyond tea until it has conducted a full review. The most recent twist (March 2018) is that the Advertising Standards Authority (ASA) has found against Sainsbury's and described the Fairly Traded tea scheme as misleading.

A seminar entitled 'Certification and More', held at the ISM confectionery trade fair in Cologne during January 2018, provided a useful summary of the current state of play (Nieburg, 2018). According to the World Cocoa Foundation, around 22% of globally traded cocoa is certified – 'not enough to realise the promised increase on farmers' income', according to the German Initiative on Sustainable Cocoa (GISCO). Ferrero claimed that 50% of the cocoa it uses is certified as sustainable; Ritter Sport said that 100% of its cocoa is certified by Utz or Fairtrade. What was noticeable at the seminar was an increased focus on farm income. To provide a benchmark, ISEAL announced the introduction of 'living income' and 'living wage' benchmarks for cocoa farmers from August 2018.

The Certification Response

Organic

The Soil Association is a good example of an organic certifying body that, although committed to working at the highest level of integrity, has come to the realisation that in some cases developing ever more stringent standards was not necessarily the best way to deliver this. The organisation has just conducted a fundamental review of its standards, which now have a much clearer focus. Variance from the EU Organic Regulation is only permitted where there is a clear benefit to be obtained. Increasingly, the standards use risk assessment and outcome-based results. The new standards are due to be launched this year.

Recent changes in the political environment mean there is renewed interest in a stand-alone UK organic regulation post-Brexit. A consortium of international consultants has successfully won a tender from Defra to look at best regulatory practice worldwide post-Brexit – or more probably post the transition period. The plan is that a repeal bill will incorporate all EU law and regulations into UK law, so the most likely outcome is that the United Kingdom will leave the EU aligned with contemporary EU Organic standards. After transition, one possibility is that the United Kingdom will apply to the EU for Third Country status.

Fairtrade

Elsewhere in ethical certification, the lack of legislation has resulted in much bigger changes. In January 2018, certifiers Utz and Rainforest Alliance 'merged', although the new organisation is called the Rainforest Alliance. Utz – which entered cocoa certification in 2007 – overtook Fairtrade and Rainforest Alliance as the largest cocoa certifier by 2011. According to utz.com:

> The Rainforest Alliance and UTZ have merged in response to the critical challenges facing humanity: deforestation, climate change, systemic poverty, and social inequity. We are combining our respective strengths because we know that together, we will be in a better position to achieve the scale of impact necessary to meet these challenges effectively.

A number of retailers have begun to require certification from a single source over a wide variety of products – for example Tesco in the United Kingdom has specified the Rainforest Alliance as sole certifier for its own-label tea, coffee and cocoa.

The Fairtrade Foundation has responded to a challenging commercial market in a number of innovative ways. It was an early promoter of mass balance. Historically, small- and medium-sized processors of Fairtrade ingredients worked to full physical traceability, that is, they were able to track a bag of cocoa beans through their factory and tell you which batch of chocolate the beans ended up in. Mass balance was designed for larger companies for whom physical traceability would be prohibitively time-consuming or expensive. Under mass balance, the processor agrees to buy and use a certain number of bags of Fairtrade cocoa beans but only guarantees to use them in a random part of its production. It cannot say which bars of chocolate contain the Fairtrade cocoa. So, a bar labelled as Fairtrade may contain no Fairtrade cocoa, and a bar not labelled as Fairtrade may contain Fairtrade cocoa.

Physical traceability and mass balance deliver exactly the same amount of added value to the Fairtrade farmer. Supporters say it eases the transition to Fairtrade, which can grow the market for Fairtrade producers. Some certification bodies, such as Fair for Life, do not accept mass balance. Media outlets such as *The Sun* newspaper have tried to generate negative publicity around mass balance on the basis that consumers are being misled. The Fairtrade Foundation requires licensees to use marginally different on-pack text depending on whether a product is manufactured using physical traceability or mass balance, but the differences are so subtle as to be overlooked by all but the most assiduous of label readers.

A second way in which Fairtrade has responded is through the development of Fairtrade Sourcing Programmes (FSP). The initial focus of Fairtrade was to develop demand for as many Fairtrade ingredients as possible, so its standards specified 'all that can be' – that is, if an ingredient existed in Fairtrade form, it must be used. However, this excluded companies who just wanted to use a single Fairtrade ingredient in their products. Accordingly, in January 2014, Fairtrade International introduced FSP for cotton, cocoa and sugar. This has allowed, for example, Mars to switch all the cocoa in its Mars bars to Fairtrade, thus qualifying for a special FSP on-pack logo and resulting in many extra cocoa farmers receiving a Fairtrade premium. Critics of FSP say that, by having two different but similar logos, Fairtrade is introducing confusion to what had previously been a very simple situation. There is concern that this loss of clarity might affect the 90% consumer recognition currently achieved by the Fairtrade mark in the United Kingdom. FSP became Fairtrade Sourced Ingredients (FSI) in an attempt to make the scheme clearer.

Where Next?

One of the harshest critiques of third-party ethical certification comes from one of its founding fathers, Nico Roozen. Now executive director at Solidaridad, his paper 'Ethical Branding: Overpromise and Underdeliver' (Roozen, 2017) ends as follows:

> The added value of certification that Solidaridad was looking for (in 1986) was the development of *consumer demand* for sustainable products based on a *distinction* between sustainable and unsustainable products, to create a *premium* for sustainable products. All at the *lowest possible cost* to avoid a competitive disadvantage. A *code of conduct* and *third party auditing* would be the cornerstones of the system.
>
> Thirty years later, we may conclude that certification turned out to be an expensive concept, that market premiums are relatively low and often do not reach the farmers, and that labels are losing relevance as differentiators. Unfortunately consumers did not turn out to be the major drivers of change as originally expected. Third party auditing also turned out to be less reliable than hoped and a code of conduct was too rigid to stimulate continual improvements.
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> Given these unexpected outcomes related to our early ambitions, standards bodies are looking for innovations to overcome the shortcomings of past approaches. Moreover, many farmers and companies are already moving beyond certification to more ambitious post-certification approaches. New technologies will stimulate these new approaches and help us define the business case for sustainability as the real driver for change.

The report 'Signed, Sealed . . . Delivered?' (Watanatada & Mak, 2011) also predicts ethical labelling becoming less important, but for different reasons. It notes that:

> . . . certification, labelling and the standards-setting organisations behind them have been pioneers in building a more sustainable economy. But the very traits – governance and inclusiveness – that make consensus-based standards useful as credible mechanisms for collective action also pose challenges for businesses seeking to move quickly and to differentiate themselves in their market place.
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> We conclude there is a need to deconstruct and evolve the old model that combines standards, certification and on-pack marks. Instead we urge a shift towards a new model based upon increasingly demanding and pre-competitive standards, above which brands compete, collaborate and partner with civil society to transform supply chains and consumer norms and behaviour and where civil society and government evolve more effective and efficient ways of holding business accountable.

Eight years after these words were written, post-Trump and post-Brexit, it is hard to imagine any government making an attempt to 'evolve more effective and efficient ways of holding business accountable'.

However, there are other ways in which this may be achieved. The first is blockchain, which would definitely qualify as one of Roozen's new technologies. Blockchain has the potential to make tracking ethical commodities through even the most convoluted supply chain simple, effective, cheap and secure from fraud. Other technological developments will undoubtedly follow. Cocoa farmers in the Dominican Republic tracking New York cocoa prices in real time on their satellite phones is undoubtedly a great step towards empowerment.

Another force for good is social media and its ability to mobilise public awareness and bring it to a tipping point. For decades, the green lobby has been raising the issue of single-use plastic bottles, only to be told that any reuse solution was too complicated. One showing of the television series *Blue Planet II* and the attendant outcry on social media resulted in major UK supermarkets, WRAP and Coca-Cola competing to see who could show the most enthusiasm for such a scheme. Of course, their rapid response was only made possible by all the NGO-driven and activist-driven work that has happened in the background over a period of years.

I broadly agree with Roozen: thirty years on, I thought we would have got further than this. Ethical certification has demonstrated that ordinary consumers do, for the most part, care where their food and drink comes from and how it has been produced. They are even prepared to pay a modest premium for a superior product, however, they perceive and define superior. But we have done little to improve access to or markets for the vast majority of farmers in the Southern hemisphere. An honourable mention goes to Divine Chocolate, which today is part-owned by its farmers, the Ghanian cocoa co-operative, Kuapa Kokoo. However, even that only came about because of the generosity of its founding partners, particularly The Body Shop.

So, should we give up on ethical certification? I agree with Taco Terheijden, director of cocoa sustainability at Cargill: 'Certification on its own will not do all what we think needs to be done, but it is an essential element and very often the first step' (Nieburg, 2017). It is what we do after that first step that matters.

Beyond the Boy Scout's Sleeve

So, it looks like the Boy Scout's sleeve may not be a problem for much longer. What do we put in its place? If brands are prepared to have their values openly scrutinised by governments, NGOs and consumers, then we may be able to evolve to the point where what a brand stands for goes beyond price and flavour and features ethical considerations as part of its DNA. Younger start-ups are taking this on board and building ethical values into their branding from day one rather than having to apply them retrospectively, as is the case with older, more-established companies. Key to the success of this approach will be the stance taken by major supermarkets. Increasingly, supermarket own-label is taking market share from branded food and drink. Will supermarkets be prepared to expose their own products to this degree of ethical scrutiny? Until they do, there remains a role for independently verified ethical certification, which will continue to develop in response to changes in the market.

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