UTZ ROOIBOS CERTIFICATION LETTER

ADDITIONAL REQUIREMENTS FOR CERTIFICATE HOLDERS AND CERTIFICATION BODIES OF THE UTZ ROOIBOS PROGRAM
1. BACKGROUND

The UTZ certification program is a global program with generic rules stipulated through certification documents (Code of Conduct, Chain of Custody, crop specific Annexes) as well as the UTZ Certification Protocol. Over the course of the previous season, shortfalls in contextuality for the South African rooibos sector became apparent.

Those shortfalls are noted especially with regards to managing volumes of certified rooibos, both at level of volume estimation as well as on the reflection of sales of certified volumes through the UTZ traceability platform GIP and retroactive claims hereof, all of which are explained in more detail below.

1.1 CERTIFIED VOLUME IN WET ROOIBOS

In the current approach, UTZ requires a Code of Conduct holder’s certified volume to be reported in wet rooibos (equivalent). As volume estimates are usually done in dry rooibos and conversion ratios from wet to dry can vary greatly, the requirement of reporting volume estimates in wet rooibos posed challenges to accurately determine and verify the volume estimation in wet rooibos. In addition, the rooibos supply chain is structured as such, that rooibos reaches the first buyer (who performs the secondary processing) mostly in dry form. The primary processing from wet to dry rooibos is usually performed in the producers’ tea courts. With producers (who cannot convert the wet rooibos in their GIP) solely being able to issue transactions in wet rooibos, first buyers are currently required to perform two conversions in their GIP, while they perform mostly only one in reality.

1.2 GIP MANAGEMENT

Apart from certified volumes often not reflecting the actual product that is produced on the farms, another challenge in management and verification appears with regards to secondary processors (hence first buyers) falling under the scope of Code of Conduct certification rather than Chain of Custody certification. While the Chain of Custody requires supply chain actors to regularly update their GIP transactions, the Code of Conduct does not include such a requirement which hampers the possibility of up-to-date verification of transactions during the audit.

1.3 RETROACTIVE CLAIMS

Lastly, there are challenges with regards to the current requirements around requesting carry-over volumes in case of volumes that are retroactively sold as UTZ while not being under the ownership of the producer anymore. These challenges stem from the fact that first buyers (secondary processors) usually purchase all rooibos as conventional up front. Only later in the year once there is confirmation from second (usually overseas) buyers on the volumes of UTZ rooibos required, is the product then sold as such. Once the first buyer (secondary processor) sells those volumes retroactively as certified, the producers’ certificates could be expired for that season. Even if a retroactive claim is requested, producers can usually not receive the volume retroactively sold as UTZ as carry-over as current Protocol requirements prescribe that volume to be physically present at producer level. In the case of rooibos however, the volume is already in the stock of the first buyer (secondary processor).

UTZ realizes that contextualization for the rooibos program is needed in above mentioned areas. Closely consulting on the specific needs of the sector to formulate the requirements below, we aim to further contextualize our requirements as to be making our program more efficient and therefore more impactful on the ground.
2. SCOPE
This document is an addition to the currently applicable Certification Documents. It aims to provide contextualization for the entire rooibos sector. It is therefore applicable to all Certification Bodies and Certificate Holders working under the UTZ rooibos certification program. The document is applicable from the time of its release and is only going to be replaced once the new Rainforest Alliance’s certification program is launched (i.e. beginning 2021).

3. WAY FORWARD
Based on the challenges identified above, the approach of rooibos certification resulting from this document refers to the following two topics:

i) How to request and verify certified volumes at producer level

ii) How to report those through the Good Inside Portal (GIP)

3.1 ON VOLUMES AT PRODUCER LEVEL
a. Certified Volumes
In order to facilitate verification for auditors and ease of certified volume calculation for producers, certified volumes shall be issued in dry rooibos. In case a producer produces wet rooibos, the equivalent in dry rooibos can be calculated and requested as certified volume through the GIP.

b. Volume Extensions
Volume extensions in case of unforeseen higher real harvests than initially predicted are possible as per current Protocol. This means that volume extensions can be requested by the certificate holder to their certification body which then requests an additional certified volume for the certificate holder through the GIP to be approved by the UTZ program team. Volume extensions up to 10% of originally certified volume do not require an additional audit. If the volume extension surpasses 10% of the originally certified volume, an additional audit is necessary.

c. Carry Over Volumes
With this document, a different approach for the request and verification of carry-over volumes is introduced for the rooibos sector. In general, stocks remaining from the previous season that are to be added to the certified volume of the producer’s new certificate as carry-over volume shall be physically inspected. In the case of rooibos, potential carry-over volumes can be verified at either producer or secondary processor level. For the application of carry-over volumes, several conditions are to be fulfilled which are that:

i. If volumes are already under the legal and physical ownership of the first buyer (secondary processor), this actor shall permit the auditor to inspect their physical warehouses and traceability documentation in the scope of the producer’s Code of Conduct audit. Inspection of the secondary processor’s warehouse is to take place within maximum four weeks after the last date of the producer’s audit and be invoiced as part of it, if applicable. If conducted by the same certification body, stock inspections of several producer audits can be combined into one visit by the auditor(s) only.

ii. It is to be noted that only volume can be carried over if it is remaining (hence not sold as neither certified nor conventional) from the previous season. If volume is in stock for longer than one year, it cannot be carried over to the new certification cycle.
Lastly, for any volumes that are carried over to make retroactive certified claims, the producer is to receive the premium agreed upon for that specific harvest year. All applicable requirements related to premium payment (through Code of Conduct and Rooibos module) are to be complied with and are verified during the external audit.

3.2 ON THE MANAGEMENT OF GIP

a. Regular GIP Update
In the rooibos program, first buyers (secondary processors) are to comply with the UTZ Code of Conduct and the applicable module. In all other UTZ programs, processors comply with the Chain of Custody whose main objective is to maintain traceability and integrity of the UTZ product. While the rooibos module does include requirements with regards to the management of the GIP that are similar to the ones of the Chain of Custody, it does not include a requirement on the regular update of the GIP. Therefore, this document prescribes that secondary processors shall update their GIP latest every three months, in line with control point 13 of the UTZ Chain of Custody Standard.

b. On-behalf User Rights
In case the first buyer (secondary processor) holds the on-behalf GIP user rights of their supplier, they shall be reminded that according to the control point RB.B.24 of the UTZ rooibos module, that they are required to “inform their supplier of all purchase announcements (including volume) performed [latest three months after shipment], and provide them with the confirmation of the transaction generated in the GIP within 2 weeks after confirming the transaction”.
