



1 PRESENTATION

- This document is the annual activity report of the *SPP Global* Standards and Procedures Committee for the period 2019-2020.
- The document was approved by the Chair (Chairman and Vice-Chairman) of the Committee.

2 MEMBERSHIP

- The current composition of the Standards and Procedures Committee, based on the appointments made during the VII *SPP Global* face to face General Assembly, and its updates is as follows:

#	NAME	POSITION	STAKEHOLDER REPRESENTATION	PRODUCT(S) REPRESENTATION	ORGANIZATION	COUNTRY	HOME PERIOD	END OF PERIOD	# PERIOD
1	Yuridia Pillimúé	President	OPP	Coffee	PEACE FUND	Colombia	26/07/2018	22/06/2021	1
2	Luis Gonzaga	Vice-President	OPP	Coffee	GLOBAL COFFEE	Colombia	26/07/2018	22/06/2021	2
3	Leonidas Jimenez	First Member	OPP	Fruits	BANAFRU-COOP	Colombia	26/07/2018	22/06/2021	2
4	Sandra Mutt	Second Vocal	OPP	Miscellaneous	COPRO-BICH	Ecuador	31/01/2019	22/06/2021	2
5	Luis Dario Ruiz	Third Member	OPP	Panela & Sugar	MANDUVIRÁ	Paraguay	31/01/2019	22/06/2021	1
6	Jeremiah Huete	Fourth Vocal	OPP	Cocoa	CACAONICA	Nicaragua	16/05/2019	22/06/2021	1
7	Nathalie Vaquant	Member	Final buyers	Final Buyers Europe	BIOCOOP	France	26/07/2018	22/06/2021	2
8	Hugo Valdes	Member	Allied Organizations	Allied Organizations	CSF	Costa Rica	26/07/2018	22/06/2021	2
9	Nelson Melo	Observer	Board of Directors	CD	ORGANIC	Colombia	26/07/2018	22/06/2021	1
	<i>Pending</i>	<i>Member</i>	<i>Final buyers</i>	<i>Final Purchasers North America</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
	<i>Pending</i>	<i>Observer</i>	<i>Sector-Consumers</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

- Updates made according to Internal Regulations, are:
 - Sandra Chucho (second member) replaced Alexandra Balla (former President) as representative of COPROBICH
 - Luis Darío Ruiz (third member) was subsequently appointed to the General Assembly, as there were no candidates for the Panela & Sugar sector during this meeting.



- Jeremías Huete (fourth member) replaced Humberto Jarquín (former Vice President) as representative of Cacaonica.
- Pending updates, despite the completion of the respective calls, are
 - The North American Final Purchaser's representative
 - The representative of the Consumer Sector

3 ACTIVITIES PERIOD 2019 - 2020 (Post VIII AG)

1. Ordinary CNP meeting on September 19, 2019
2. Ordinary CNP meeting on 21 and 27 November 2019
3. Ordinary CNP meeting on January 16, 2020
4. Ordinary CNP meeting on March 19, 2020
5. Ordinary CNP meeting on 21 May 2020.

4 RESULTS PERIOD 2019 - 2020 (Post VIII AG)

1. The new Update Margin was approved to prepare new price proposals, as part of the SPP Global Price Definition Procedure.
2. The new policy of rounding off each of the components of the SPP Sustainable Price to whole numbers was approved, to be carried out at the time of preparing the different proposals in the corresponding Working Groups.
3. It was concluded with the cost study for the Update of the Sustainable Price of Panela and Sugar and the increase of the Sustainable Price for Panela SPP from US \$ 1,290 to US \$ 1,790.0 per ton was approved. Likewise, the increase in the Sustainable Price for Sugar, from US \$ 870 to US \$ 1,150 dollars per ton was approved. The approved price was recently revised again, based on the process of attending a request for a revision of the new SPP price for Panela.
4. Several adjustments were approved to the procedure for the Issuance, Modification and Application of Certificates and Records of Compliance, to facilitate the process to expand the scope of SPP records for companies.
5. The Work Plan to update and renew the Environmental Chapter of the SPP General Standard specific to Handicrafts was approved, including the list of Prohibited Materials of SPP Global.
6. The new SPP Sustainable Price for wet-shelled rice was approved at US \$458 per ton.
7. The Procedure for the Definition of Standards and Procedures was adjusted so that the units of measure of the SPP Sustainable Price together with its components (Minimum Sustainable Price, Organic Recognition and Incentive) are established in principle in tons (t) and in US dollars (US \$) as the monetary unit, subject to extraordinary reasons for changes in the units of measure.
8. The Procedure for the Definition of Standards and Procedures was adjusted so that in the case of criteria that are established taking into account information from only one Small



Producer Organization, they are subject to review when information from a possible new actor justifies it.

9. The SPP Sustainable Price for Green Leaf Tea was approved at US\$ 1,030 per ton.
10. The List of Specific Parameters was adjusted by adding the unit of production parameter for chestnut harvesting in Peru.
11. The updated Work Plan for the Study of Coffee Production Costs was approved.
12. The Work Plan for the Study of Production Costs of Honey was approved.
13. The Production Cost Study for Cocoa was completed and the increase in the SPP Sustainable Price for cocoa from US\$3,200 to US\$3,830 per ton was initially approved. However, this price was not ratified by the SPP Global Board of Directors at the request of an SPP buyer, so approval of a final price is pending, subject to review by the Cocoa Working Group.
14. Changes were approved in the Certification and Registration Procedure to facilitate the annual evaluation of small companies, which have few SPP business transactions per year.
15. New criteria of the SPP General Standard were approved to define that Small Producers' Organizations must own their Organic Certificate and to prohibit the conclusion of exclusive contracts between Small Producers' Organizations and Final Buyers.
16. Several adjustments to the Eligibility Period Procedure were approved, to ensure that reports and resolutions for this period are properly prepared and supported.
17. The new procedure for the definition of prices of non-principal products was adopted, seeking to facilitate the establishment of new initial prices.
18. The new SPP Price List Format was approved, adding the SPP Total Minimum Sustainable Price column representing the sum of the 3 components: Minimum Sustainable Price, Organic Recognition, and Incentive.
19. Criteria are in the process of being approved for¹ a finished product that uses ingredients from northern producers to make use of SPS. These standards set the minimum percentage of SPP certified ingredients and the minimum percentage of ingredients from small northern producers for finished products to be sold under SPP
20. The list of ingredients that are allowed or excluded in the production of small producers in the North is in the process of being approved².
21. The criteria for setting minimum time frames for price reviews that have recently been approved are in the process of being approved.
22. Time frames and procedures for suspending or canceling those members who do not apply for renewal of the Certificate/Registration in a timely manner are in the process of being approved.

¹ Topics indicated as 'In process of approval' are on the agenda of the extraordinary meeting of 11 June 2020 and already have concrete proposals.

² Topics indicated as 'In process of approval' are on the agenda of the extraordinary meeting of 11 June 2020 and already have concrete proposals.



23. The guidelines for granting certification to small groups of producers within a Small Farmers' Organization are in the process of being approved, either because they only want to certify one product or because they will only certify the group that has organic certification.
24. SPP Global's criteria for issuing the Period of Eligibility resolution are in the process of being approved.
25. Guidelines for the application of criterion 4.7.1 of the SPP General Standard, which establishes the need for Small Producers' Organizations to have an Organic Certificate in order to be able to market under the SPS, are in the process of being approved.

5 PROGRESS AND OPERATION REPORT

1. The functioning of the CNP has improved considerably from the participation of its members in the processes of approval of the agenda and in the review and approval of the Minutes in a timely manner.
2. The necessary quorum was reached at the last CNP meetings.
3. Some members of the Committee had not met the minimum attendance requirement and had therefore been brought to its attention.
4. The cocoa cost collection process was completed and the second phase of the study to differentiate cocoa prices according to bean quality has been initiated as suggested by the Board.
5. The Work Plan was approved and the "Coffee Cost Studies" project was initiated. A general cost format has been developed and a guide for the collection of costs and their basic analysis has been issued.
6. The Work Plan was approved and started with the Study of Honey Costs, as well as a feasibility study of honey production of the different Small Producers' Organizations that have this product. A general cost format has been developed so far.
7. In the case of panela and cocoa, processes and results to define SPP prices have been objected by some actors after the approval in the main instances, which generates a situation of instability.

6 CONCLUSIONS

1. It is important to develop mechanisms to encourage and facilitate the active participation of all SPP Global members in the decision-making processes.
2. It is key to improve the broad communication of the agreements made in the different decision-making bodies, as well as the constant reporting of the main changes made to the regulatory documents of the SPP System.

7 RECOMMENDATIONS TO THE CD AND AG

1. It is recommended that a specific institutional policy be formulated with respect to the relationship between production costs, market trends and SPP minimum prices, in order to



ensure the continuity and permanence of the agreements reached by the various Working Groups and decision-making bodies.

2. It is recommended to review the level of attendance of the different members of the Standards and Procedures Committee to eventually take the relevant decisions, within the framework of the Rules of Procedure. ■