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## **Relevance of Sustainable Agricultural Network Standards and Rainforest Alliance Certification in Promoting Governance and Achieving National Policy Recommendations in Kenya's Tea Sector**

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**Abstract:**

*Tea growing countries like Kenya has streamlined the use of Sustainable Agricultural Network (SAN) Standards and Rainforest Alliance (RA) Certification to support public policy. Lack of information on the relevance of SAN standards and RA certification in promoting governance and public policies and also in implementing policy recommendations limits improvement, sustainability and resilience of agricultural production systems in Kenya's' tea sector. This study sought to provide this missing information using a cross-sectional research design to collect data from 514 small-scale tea growers drawn randomly from Kenya KTDA factories. A questionnaire with a reliability coefficient of 0.92 $\alpha$  was used after validation by extension experts. Face-to-Face interviews and document analysis were carried out to ensure triangulation. Data were analyzed using Chi-square at 0.05 set a priori calculated using SPSS. From the SAN standards and RA certification supported governance and public policy by upholding compliance to national laws, regulations, good agricultural practices, best practices, efficiency, transparency and accountability in the tea sector. Policy makers should mainstream relevant voluntary sustainable agricultural standards and certification as part of good regulatory practice and good public governance.*

**Keywords:** *Certifications, Kenya, policy, tea, standards, sustainable, voluntary*

### **1. Introduction and Literature Review**

Agriculture remains the main livelihood source and economic driver for many African countries. The development of agriculture is important for poverty reduction since most of the vulnerable groups like pastoralists, the land less, subsistence farmers depend on agriculture as the main source of their livelihoods. Tea is one of the most important agricultural crops in East Africa, and is a source of income for countless smallholder farmers (Maina, Mwangi & Boselie, 2012; Rainforest Alliance, 2011). Kenya is the World's third largest tea producer and the world's largest exporter of black tea (Breit, 2010; Gesimba, Langat, Liu, Wolukau, 2005; Obulutsa, 2010; Ombok, 2010) that is world famous for its brightness, attractive color, brisk, flavor and texture (Mutai, 2011). Kenya has 104 tea factories, 639,521 registered tea growers and 181,855 hectares planted with tea (Kariuki, 2012). Tea production for the year 2011 reached 378 Million kilograms (Kenya Tea Board, 2012). Tea was the leading Foreign Exchange earner in 2011 earning Kshs 109 (\$1.3) Billion from 421 Million kilograms exported (Kariuki, 2012; Kenya Tea Board, 2012). Out of the total production, the smallholder sub-sector contributed sixty six per cent while the Plantation sub-sector contributed thirty four per cent (Kariuki, 2012). Kenya Tea Development Agency (KTDA) is the second largest exporter of black tea in the world and is responsible for sixty two per cent of all tea produced in Kenya (Braga, Lonescu-Somer & Seifert, 2011).

Standards refer to a defined set of social, environmental, and/or economic criteria while certification is a market-based tool that provides the capacity to the customers to select the commodities based on their social and environmental concerns and occur when a formal decision on compliance is made based on the results of an auditor's report (Steering Committee of the State-of-Knowledge Assessment of Standards and Certification, 2012; Yadal, Kotwal, & Menaria, 2007). The SAN standards and RA certification is part of voluntary sustainability standards and certification schemes. Voluntary sustainability standards and certification schemes are universally agreed procedure or practice recognized globally as consensus on a solution to a particular issue with clear requirements, specifications, guidelines or characteristics to consistently ensure that materials, products, processes and services are fit for their purpose (Steering Committee of the State-of-Knowledge Assessment of Standards and Certification, 2012). Product certifications build and enhance the consumer confidence as a proof that the products they buy support the claims on the labels (Rainforest Alliance (2012).

The Sustainable Agriculture Network (SAN) is a coalition of non-profit conservation organizations in America, Africa, Europe and Asia promoting the environmental and social sustainability of agricultural activities through the development of standards for best practices, certification and training for rural farmers around the world (Sustainable Agriculture Network, 2015). The SAN/RA certification system is jointly owned by the Sustainable Agriculture Network and Rainforest Alliance. Farms that meet the SAN's

requirements and binding rules are recognized with the Rainforest Alliance Certified™ seal (Sustainable Agriculture Network, 2015). Rainforest Alliance promotes sustainable production through standards set by the Sustainable Agriculture Network (SAN) (Rainforest Alliance, 2012). Rainforest Alliance (RA) certification - built on the three pillars of sustainability (environmental protection, social equity, and economic viability) - promotes and guarantees sustainable use of agricultural and forestry resources. To achieve RA certification strict health and safety principles such as working hours, rest periods, provision of safety equipment and sanitary facilities must be adhered to (Sustainable Agriculture Network, 2010). The RA certification requires farmers to protect the natural forests within their jurisdiction and to plant indigenous trees to boost forest cover. It obligates farmers and factories to produce tea ethically by avoiding child labor and protecting the health of farm workers at farm and factory levels (Braga, Lonescu-Somer & Seifert, 2010; Sustainable Agriculture Network, 2011).

### *1.1. Problem Statement*

Consumer demand for information on social and environmental practices in production, processing and trading of agricultural products continues to drive the development of voluntary sustainability standards. Tea growing countries like Kenya has streamlined the use of voluntary certification and standards to support public policy in agriculture, environment, wildlife, soil and water conservation, workers' rights, occupation health and safety of workers. In recent years, there has been a substantial growth in voluntary certification schemes and standards in Kenya for agricultural products as a mechanism for encouraging and enforcing sustainable production and sourcing. In Kenya, compliance to Sustainable Agricultural Network standards and the Rainforest Alliance certification seal provide assurance that tea purchased by consumers is produced and processed in complies with agreed-upon sustainability criteria. Information on whether voluntary certifications and standards establish, drive or motivate socio-political agendas and public policy or regulations is limited. Lack of information on policy, policy support and incentives to certification schemes limits improvement, sustainability and resilience of agricultural production systems in Kenyas' tea sector. Policies that affect the performance of the tea and other agricultural sector have important implications for Kenya's economic growth.

### *1.2. Purpose and Objectives of the Study*

The purpose of this study was to determine the relevance of Sustainable Agricultural Network Standards and Rainforest Alliance Certification in promoting governance and public policies in Kenya's tea sector. The study objective was to determine and establish the relevance of Sustainable Agricultural Network Standards and Rainforest Alliance Certification in implementing policy recommendations for environment and ecosystem conservation; wildlife protection; water resource conservation; fair treatment and good working conditions for workers; occupational health and safety; community relations; integrated crop management; soil management and conservation and integrated waste management. Another objective was to provide information on how Sustainable Agricultural Network Standards and Rainforest Alliance Certification can be used, referenced, considered as part of good regulatory practice and good public governance in Kenyas' tea industry.

### *1.3. Significance of the Study*

The findings of this study are relevant to government, private sector institutions, policy makers, businesspeople, NGO representatives, and philanthropic foundations promoting fairness, good governance, accountability, transparency, effectiveness and relevance to foster sustainable development and best practices. The findings are also relevant to stakeholder key in promoting quality management system, quality products, commitment, collective attitude and behaviour, good governance and social responsibility in their institutions. National and local governments can also mainstream relevant voluntary sustainable agricultural standards and certification principles as part of good regulatory practice and good public governance. Mainstreamed these standards in the policy making process by governments could promote, support governance and public policy.

## **2. Research Methodology**

The study used a Cross-Sectional research design to collect data from 514 small-scale tea growers drawn randomly from KTDA factories. A semi-structured questionnaire was used to collect data. Validity was ascertained by a panel of extension experts while a pilot test involving 30 farmers in Nandi County indicated the questionnaire's reliability coefficient of  $0.92\alpha$  which was above the threshold for acceptable reliability of  $0.70\alpha$ , with the significance level set a priori at  $0.05\alpha$ . Face-to-Face interviews, document analysis, record reviews, site visits, observations, living the system and a stakeholders' workshop were carried out to ensure triangulation. Data were analyzed using Chi-square at  $0.05$  set a priori calculated using SPSS and expressed in themes, frequencies and percentages.

## **3. Results and Discussions**

In Kenya, just like in other countries, government decisions are implemented through policies which also influence the level and stability of public investments, trade, costs and revenues, allocation of resources, input and output prices. The key agricultural policies in Kenya revolves around the main goals of increasing productivity and income growth, especially for smallholder farmers; enhanced food security and equity, emphasis on irrigation to introduce stability in agricultural output, commercialization and intensification of production among small scale farmers; appropriate and participatory policy formulation and environmental sustainability.

Companies, NGOs, governments, and foundations have invested hundreds of millions of dollars in the past two decades to support the creation and implementation of standards and certification systems. The Kenyan government and private sector institutions implement different certification schemes, quality assurance and certification initiatives to guarantee quality to consumers and to take corporate

social responsibility. The most popular is the International Standard Organization (ISO). ISO 9000 which is a set of standardized requirements for quality management system is implemented by many organizations of different sizes, both public and private sector. Many tea factories and companies in Kenya use ISO 9000 series specifically ISO 9001:2008 because it is seen as a vehicle towards total quality management and is based on principles of quality assurance which builds the degree of awareness, commitment, collective attitude and behaviour of the organization with regard to quality. Livestock, crops and horticultural farmers also implement the various voluntary organic agriculture standards like IFOAM based on the four principles on health, ecology, fairness and care.

Tea customers are increasingly looking for high-quality products while tea manufacturers and suppliers are also seeking ways to prove that their products meet high-quality production and safety standards as a way to stay ahead of the competition. The tea factories, farmers, tea stakeholders along the value chain and the Kenyan government implements voluntary sustainability standards and certification schemes with clear policies and procedures supporting utilization of sustainable agricultural practices to enhance confidence in tea, coffee and horticultural products, systems, processes, services or personnel and mitigate the high social and environment costs. Many tea factories and companies in Kenya has multiple certifications from Ethical Tea Partnership (ETP), Rainforest Alliance (RA), ISO 9001:2008, ISO 14001:2004, ISO 26000, Food safety, Fair Trade (FLO and IFAT) and UTZ certification/Solidaridad. Because majority of voluntary sustainability standards and certification schemes focus on sustainable development, good agricultural practices, best practices, fairness, occupation health and safety, good governance, accountability, transparency, effectiveness and relevance, they are now being used, referenced and considered as part of good regulatory practice and good public governance in coffee, tea, horticulture and floriculture sectors in Kenya.

The Kenyan government and private sector has mainstreamed these standards in the policy making process in their systems to promote innovation, competitiveness, re-growth, efficiency and support governance and public policy. Major milestones is on facilitating compliance to laws, regulations, policies and procedures on environment and ecosystem conservation; wildlife protection; water resource conservation; fair treatment and good working conditions for workers; occupational health and safety; community relations; integrated crop management; soil management and conservation and integrated waste management among smallholder tea farmers in Kenya. Currently, smallholder tea farmers use certification as a useful tool to add credibility that their tea meets the expectations of their customers.

The Sustainable Agriculture Network (SAN) standard is represented by the ten guiding principles that include social and environmental management systems; ecosystem conservation; wildlife protection; water resource conservation; fair treatment and good working conditions for workers; occupational health and safety; community relations; integrated crop management; soil management and conservation and integrated waste management. The factory and farms performance to these SAN standards is verified in annual audits. In order to obtain and maintain the certification status during RA certification factory audits, the factory management complies with all the principles and critical criteria of the SAN Standard. This certification is followed by annual audits conducted at the end of the first and second years of the certification period. To be audited and certified during the second certification cycle onwards, farmers must meet at least 50% of the criteria of each principle, at least 80% of all criteria of this standard at the first certification audit (Year 1); and at least 90% of all criteria of this standard at the second and third audit (Year 2 & 3). There must be full compliance with all of the SAN Sustainable Agriculture Standard's critical criteria and compliance with at least 50% of the criteria of each principle.

Kenya Tea Development Agencies (KTDA) factory companies that are RA certified included Gianchore, Iriani, Kapkatet, Kapset, Kebirigo, Kinoro, Mataara, Mogogosiek, Momul, Mudete, Mungania, Ngere, Nyankoba, Nyansiongo, Ogembo, Ragati, Sanganyi, Tegat, Theta and Thumaita among others. Smallholder tea farmers in these factory companies adopt sustainable agricultural, environmental and ecological practices that also support public policy. The RA certification was being implemented by tea farmers of different gender, ethnicity, region, socio-cultural factors and factories across Kenya. The results indicated a statistically significant relationship in implementing RA certification principles between different KTDA factories and gender, age category and education level of FFS members ( $P < 0.5$ ). On average, the farmers interviewed had established a buffer area measuring nine meters in width (standard deviation: 20.68; mode: six metres; maximum width: 200 metres). The average width of conservation area was one metre (standard deviation: 1.60; mode: one metre; maximum: 25 metres). The average area planted with tea was two acres and the maximum of 30 acres. Majority of tea farmer had planted about ten native (indigenous) trees on their farm (mean: 57 trees; standard deviation: 255.76; maximum of 4500). The average number of workers employed as casual labourers was two and a maximum of 100 casual workers while only one worker was employed on permanent basis.

Over 65% tea farmers had established conservation/buffer areas alongside streams and rivers on their farm, 83% had established conservation areas, 77% of them had dug waste water capture pit while 76% smallholders tea farmers managed solid waste by recycling or removing from the farm. More than 76% tea growers used agrochemicals at the farm, 54% recorded the type of agrochemicals used, 50% tracked the quantity of agrochemicals they used per year, 42% recorded the type of toxicity level, 70% use appropriate personal protective equipment where required and 55% of them provided portable water to farm-workers. All respondents at Gitugi, Kinoro, Makomboki, Mataara, Ngere, Thumaita and Weru tea factories used waste water capture pit and other similar preventative measure and also managed solid waste through recycling or removal from farm. The respondents were also able to track quantities of agrochemicals used per year or record the chemical toxicity level. They also indicated at various proportions the use of appropriate personal protective equipment (PPEs) and workers having access to portable water.

The tea factories and the smallholders become Rainforest Alliance certified under group certification schemes. During training and capacity building in group certification standard, the group administrator trains its internal management system personnel including group members (tea growers) on SAN standard and policy contents in participants' local languages or dialects, considering their educational levels and culture. The tea factory management also evaluates internal and external risks for the factory's management

system in terms of compliance with SAN standards and policies, factory membership, chain of custody and systems' costs and performance, in general. This risk assessment forms the basis for corrective and preventive actions, with special emphasis on assuring traceability of Rainforest Alliance Certified products. Accurate and complete records of factory members and member farms are the basis for a successful certification process. The factory management implement an effective internal management system that have an organizational chart with details of committees, positions and job responsibilities, including those serving; Responsibilities, required qualifications and competencies of personnel, elected persons, and committees; Governance procedures for approval of new factory members and annual status of each member farm; factory and factory member record keeping requirements; Internal inspections; as well as Sanctions and appeals. Each factory member signs or marks an agreement with the factory management.

The Internal Management System personnel and procedures must be resourced with competent personnel and sufficient finances, and must reflect the factory members' characteristics and composition, including its geographical and cultivation diversities. The factory management must manage conflicts of interest with impartiality and independence, including decision makers' absence of their own actual or potential conflicts of interest. Prior to an external audit, the factory management internally inspect all group member farms. They must be internally inspected no less than annually, preferably at different times of the year. New group member farms must be internally inspected before being included in the factory subject to certification. The Internal Management System must have policies and procedures for sanctioning individual group members for noncompliance with SAN standards or internal factory management requirements. Progressive sanctioning measures must be established, which may include exclusion from sales of certified products and each factory member must be informed of the sanctioning system. Records must allow for the easy identification of sanctioned factory members. Each factory member must have the right to appeal findings of non-compliance and its resulting sanctions.

Upon factory member's request, the factory management must facilitate a factory member's ability to create records. The factory management's documents must be consistent with group members' language and level of understanding. The factory management must keep accurate factory member records, including a list of factory members with their names, date of entry to the factory, any assigned identification and certification status; Information on certified member farms with location, total area, total production area, annual production volume, farm maps or sketches indicating location of natural ecosystems; Regional maps or sketches of all the member farms' locations, including access roads and main natural ecosystems; Volumes of certified products at buying, handling, processing, packaging and selling stages; External audits and internal inspection reports, dates, and any complaints received; and Prior non-compliances, including sanctions, follow-up actions and appeals. The SAN standard SAN standards and policy document provides a complete list of pesticides currently prohibited or to be phased out on certified farms. The use of these pesticides on certified farms if detected during audits, leads to the cancelling of certification. Examples include biological or organic substances that are not legally registered in Kenya, agrochemicals mentioned in the List of Banned and Severely Restricted Pesticides in the U.S. by the Environmental Protection Agency, those pesticides banned or severely restricted in the European Union, substances banned globally under the Stockholm Convention on Persistent Organic Pollutants; substances listed in Annex III of the Rotterdam Convention on Prior Informed Consent in relation to national bans or severe restrictions for documented health or environmental reasons in at least two regions of the World; and all Pesticide Action Network Dirty Dozen substances.

Sustainable Agriculture Network Standard and Rainforest Alliance certification provides an efficient, cost-effective and powerful instrument of governance in Kenya's tea sector. They promote transparency, accountability, openness, fairness, relevance impartiality, relevance, best practices and competition necessary in Kenya's food and agricultural sector in accordance to international and local laws and regulations. This improves the efficiency of tea production, marketing and trade and do not create unnecessary obstacles to value chain players in the tea sector but create market incentives to the private sector to follow internationally accepted practices encouraging innovation and growth.

The study identified some interventions among tea growers in Kenya that require policy focus. These include;

- i. The big number of many smallholder farmers with varying land sizes with a big riparian catchment that require to be conserved.
- ii. The high number of farmers (i.e., above 560,000) implementing Sustainable Agricultural Network Standards and Rainforest Alliance Certification in Kenya's tea sector that require to be trained increasing the cost of production.
- iii. High number of farmers and other implementers with low literacy levels;
- iv. Limited alternatives for prohibited, banned and not acceptable chemical/pesticides products at the local level.
- v. There is a multiplication of voluntary standards with high compliance cost in the Kenya's tea sector. Compliance to many disintegrated voluntary standards increased the costs of tea production.
- vi. There is limited coordination and among the various voluntary certification standards in Kenya.
- vii. Follow ups that provide positive economic and social impacts of Sustainable Agricultural Network Standards and Rainforest Alliance Certification among the smallholders Vis a Vis potential markets are rarely supported.
- viii. Lack of legal framework for implementation, capacity building and appropriate adapted support of Sustainable Agricultural Network Standards and Rainforest Alliance Certification.
- ix. Limited involvement of the smallholder tea farmers in the design and implementation of the Sustainable Agricultural Network Standards and Rainforest Alliance Certification.

#### 4. Conclusion and Recommendation

From the findings, the researcher established that Sustainable Agricultural Network Standards and Rainforest Alliance Certification was very relevant and key in promoting quality management system, quality products, commitment, collective attitude and behaviour, good governance and social responsibility. They alsopromoted compliance to laws, regulations, policies and procedures on

environment and ecosystem conservation, wildlife protection, water resource conservation, fair treatment and good working conditions for workers, occupational health and safety, community relations, integrated crop management, soil management and conservation, and integrated waste management among smallholder tea farmers in Kenya. Sustainable Agricultural Network Standards and Rainforest Alliance Certification supported governance and public policy by upholding compliance to national laws, good agricultural practices, best practices, efficiency, transparency and accountability in the tea sector. Governments and stakeholders can mainstream relevant voluntary sustainable agricultural standards and certification as part of good regulatory practice and good public governance.

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