



## PCR development for Green Coffee Project Newsletter

August 2012

*This project is designed to develop a Product Category Rule (PCR) for the calculation of the greenhouse gas emissions from green coffee production. Developed through a transparent and engaging process with stakeholders, this PCR will be the recognised method for use by the sector and others when quantifying the emissions associated with the production of green coffee and to better understand the real impact of mitigation actions.*

*Este proyecto esta disenado para desarrollar las Reglas de la Categoria del Producto (RCP) para el calculo de la emision de gases de efecto invernadero en la produccion de café verde. Desarrollado a traves de un proceso transparente y participativo con los diferentes stakeholders, este RCP sera el metodo reconocido por el sector y otros para cuantificar las emisiones asociadas con la produccion de cefe verde y para entender mayor el impacto real de las acciones para mitigarlas.*

*Este projeto foi designado para desenvolver a Regra de Categoria de Produto (RCP) para o cálculo das emissões de gases efeito estufa na produção de café verde. Desenvolvida através de um envolvimento transparente dos Stakeholders, esta RCP será o método reconhecido para uso do setor produtivo e outros setores, quando se determinarem as emissões associadas à produção de café verde. Desta forma haverá uma melhor compreensão do real impacto das ações de mitigação.*

### Technical Working Group Progress:

In August the Technical Working Group has conducted three conference calls on the three key areas identified at the initial meeting to try and progress these towards a suitable approach. I have briefly outlined the progress of these calls below:

- **Allocation** – In the last newsletter we reported that at farm level allocation is a challenge considering the different coffee production systems globally (mono culture, polyculture, etc). Classifying the farming systems and providing guidance on the allocation procedure for each is a possible option.

The Technical Working Group (TWG) focussed on a classification approach (attached) that was being developed (by Henk Van Rikxoort and colleagues) and utilised in Africa, though was also applicable for the LATAM region. It was agreed to investigate the applicability of these classifications for Asian coffee growing regions also.

Though this classification system is being considered, there is also still the question whether a single allocation approach would be just as suitable? By applying an

economic allocation rule this would potentially provide a suitable 'split between the main crops and hence provide the necessary ratios for allocation of emissions. In most cases coffee is the number 1 farming activity on any individual farm.

The TWG agreed to generate a list of all co-products emanating from the coffee production systems to appreciate how variable these are within the different classifications. This will be completed before our next call in September. Should you want to contribute to this process, please feel free to do so.

Though economic allocation has been suggested as the most practical approach, some were concerned over price variability. The Group are to investigate this in more detail. World or national price indexes may be the most stable?

The Group also agreed to share data in order to undertake some comparisons of different allocation approaches (mass, economic, bio-physical etc) to better understand the variability in result of the different approaches.



- **What are your views on allocation...how do you feel we should approach this in an equitable manner? E-mail [blindsay@saipatform.org](mailto:blindsay@saipatform.org)**
- **Sequestration** – The Group had previously agreed that a balance needs to be found between the development of a meaningful and implementable methodology and having an approach that is so complex that it is not used! The Group agreed to explore existing LCI databases, national default values (if they exist) and even the FAO forest studies to see if a robust source of data can be found that allows a permits a global application of the PCR. This had been pursued with limited success.

Martin Noponen as integral to his PhD research at Bangor University, has looked into the sequestration opportunities in coffee production and recently published an article in the C and CI journal [http://www.efico.com/sites/default/files/climate\\_change\\_32-37.pdf](http://www.efico.com/sites/default/files/climate_change_32-37.pdf) . As Martin is working with us on the TWG, we took advantage of this and asked him to share the approach with the wider TWG. Martin explained the approach he applied, though recognised to do this on a larger scale would potentially provide some resource issues related to gathering the necessary data.

The TWG spent considerable time seeking a way through this challenging issue on its August conference call.....for a 'globally accepted approach'. Many studies, like Martin's, to date that have incorporated sequestration have been undertaken on a very 'local' and small scale basis. The role of the PCR process is to develop a method that can be easily applied and provides meaningful outputs to the farmer..

Two key outcomes of the meeting were:

- General consensus is to recognise the importance of sequestration in the calculation and encourage its calculation based in IPCC protocol.
- If sequestration is calculated – it needs to be reported separately.
- It was suggested that this could be the initial approach. Between now and the 1<sup>st</sup> review of the PCR (2 yrs post ‘approval’), the industry collaborates in generating suitable data that allows sequestration to be incorporated into the methodology from the first review onwards. It was agreed to initiate discussions with relevant organisations at the earliest opportunity to ascertain their enthusiasm for such an approach (i.e. data gathering to enable the inclusion of sequestration at a future review).
- The TWG is to engage with organisations/initiatives who are already undertaking sequestration calculations to quantify if their approaches are applicable to this methodology before a final recommendation is made

**Have you had any experience in this area that may assist the Group deal with this challenge? What if it wasn't included....what would your reaction be? E-mail [blindsay@saiplatform.org](mailto:blindsay@saiplatform.org)**

- **Land Use Change** – We previously reported that many studies do not include LUC due to the lack of data or the site is so specific that the change took place longer than twenty years prior (IPCC guidelines).

The call focussed on a possible approach as detailed in the WBCSD Greenhouse



Gas Protocol – *Product Lifecycle Accounting and Reporting Standard*,

(<http://www.ghgprotocol.org/standards/product-standard>) which firstly aids in identifying whether LUC needs to be included and if so, a recommended approach to calculating this.

The Group agreed that this approach, which follows the IPCC protocols is a clear and sensible approach to the inclusion of LUC in the methodology.

Before making a final recommendation they Group will consider feedback from both ( its the holiday season!) the Cool Farm Tool ‘team’ re how LUC is quantified and also the PAS2050 where although it is included, the countries that are aligned with coffee production are not available in the main document.

**In your region – how many coffee plantations (as a % of the total) are less than 20 years old? Have you had any experience in dealing with the direct LUC in your supply chain? E-mail [blindsay@saiplatform.org](mailto:blindsay@saiplatform.org)**



### **Next Steps!**



The Technical Working Group will be acting on the above mentioned and other action points from the conference calls with the aim of further group work in September.

The Group will soon be looking at document format and guidance in order to ensure that what is developed provides every possible opportunity for implementation.

Please do come back to me on the points above if you have any ideas which I will ensure are placed in front of the Technical Working Group.

### **Deliverables for phase 2 – Months 2 and 17**

We are now in the second phase of the project which is where the main thrust of the project is focused. I have listed below the key deliverables for this phase.

- **Implementation of the communication plan**
- **Development of the PCR for Green Coffee in line with the PCR development process required by Environdec**
- **Consultation on the draft PCR with the global green coffee sector**
- **Engagement with the PCF World Forum**
- **Engagement with Tool Providers for implementation case studies**