

## UNICA<sup>1</sup>

**Region:** Latin America

**Country:** Brazil

**Crop/Feedstock:** Sugar cane

**Practices:** Adherence to: ILO Declaration on Fundamental Principles and Rights at Work and related Conventions (AT); Training and education programmes (TE); Contracts with local goods and service providers (CN); Fair and transparent pricing (FP); Profit-sharing (PS);

**Issues:** Employment, Wages and Labour Conditions; Income Generation and Inclusion of Smallholders; Community Development;

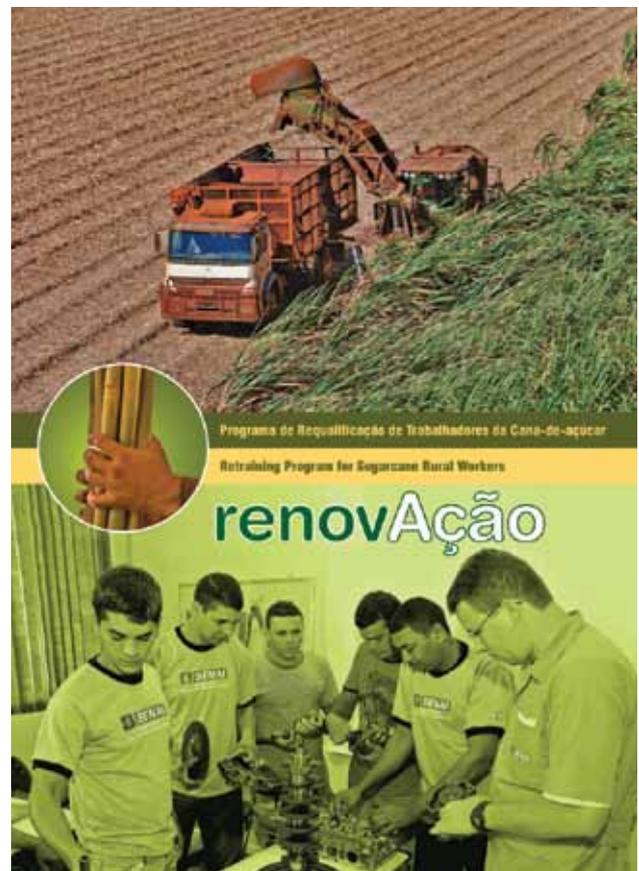
UNICA, the Brazilian sugar-cane industry association, is a non-profit organization that acts domestically and internationally in the name of Brazil's leading producers of sugar, ethanol, and bioelectricity located in the South-Central region of the country.

**Issue:** Employment, Wages and Labour Conditions; Community Development;

**Practices:** Adherence to: ILO Declaration on Fundamental Principles and Rights at Work and related Conventions (AT); Training and education programmes (TE);

For centuries, manual harvest has been the main practice in sugar-cane fields around the world. However, technological advances and environmental concerns have increased demand for mechanized harvesting as it eliminates the need of the use of fire, improves soil condition and reduces emissions. As manual harvest is replaced by mechanization, the sugar-cane industry has focused on retraining workers involved in manual planting and harvesting for new activities.

In 2009, the *Renovação* programme<sup>2</sup> (Renewal in English) was launched. Coordinated by UNICA and FERAESP (Union of the Agricultural Workers of São Paulo), the programme aims to requalify 3 000 former sugar-cane cutters and community members per year for highly skilled jobs in the sugar and ethanol plants and also in other sectors of the economy. The



industry and the workers jointly define the types of requalification courses, varying from harvest operators and welders to horticulture and digital inclusion, depending on the labour demand of a given region.

The multi-stakeholder characteristic of the programme is further enhanced as the *Renovação* programme is also supported by Case IH, John Deer,

1 The information included in this document is based on information provided directly by the producer, which was not verified by the Food and Agriculture Organization of the United Nations (FAO)  
2 <http://www.unica.com.br/renovacao/>

Syngenta and Iveco - all key companies in the sugar-cane industry supply chain – as well as Solidaridad, a Dutch NGO, and the Inter-American Development Bank (IADB).

Since its launching, the programme has trained over 4 000 professionals, of which 56 percent were immediately re-employed after the course. It also has served as an example as more than 15 000 additional workers have been trained in similar programmes by individual UNICA members, inspired by the Renovação model.

Additionally, The National Commitment, launched in 2009, is a “trilateral” agreement of voluntary participation between Brazilian Government, Private Sector and Labour Unions that aims to improve work practices in the sugar-cane activity. The involved stakeholders have developed a document that sets around 30 best work practices that go beyond what is mandated by Brazilian legislation. Companies that adhere to the Commitment are to be verified by third party audits and will be placed on a “positive list” on the website of the Brazilian General Secretary of the Presidency.

This multi-stakeholder initiative is one example of a self-regulatory agreement that has yielded important results. Almost 200 sugar-cane mills have adhered to the initiative so far. Furthermore, the National Commitment has been seen as a good success story as other sectors, such as the Civil Construction, are initiating talks following its model.

**Issue:** Income Generation and Inclusion of Smallholders

**Practice:** Contracts with local goods and service providers (CN); Fair and transparent pricing (FP); Profit-sharing (PS);

Consecana<sup>1</sup> is a non-profit association formed by representatives of the sugar and ethanol industry and sugar-cane growers of São Paulo State in Brazil.

The Council was created in 1997 and has the primary function of determining the price to be paid to farmers for sugar cane. The basic principle of the governing model is that market risks should be shared between industry and farmers, as the price paid to the grower should be a proportion of the industry revenue, depending on production costs (agricultural and industrial) and prices of the final products (sugar and ethanol), balanced by the production mix. For this purpose, the board of Consecana, composed of an equal number of members from UNICA (Sugarcane Industry Association) and ORPLANA (Organization of the Sugarcane Growers), established a technical committee to elaborate a transparent methodology to determine the prices of the raw material. The methodology is made available to all in the Consecana Manual ([www.unica.com.br/download.asp?mmdCode={A8D2ABCA-8247-45D1-8720-C14CD485F380}](http://www.unica.com.br/download.asp?mmdCode={A8D2ABCA-8247-45D1-8720-C14CD485F380})), that is updated every five years.

The institution then delegates to a neutral body – CEPEA (Center for Advanced Studies in Applied Economics from the Agricultural School of the University of São Paulo) – the task of periodically monitoring and publishing the prices of inputs and final products in order to guarantee that the prices paid for sugar cane are updated on a monthly basis.

The Consecana model has proven to be a very effective tool to share risks and benefits of the volatility of production costs and revenue levels between farmers and the industry. Being a multi-stakeholder initiative that unites industry and farmers, it also gives transparency for procurement of sugar cane as it reduces the bargaining power of big companies over small producers. Other sectors in Brazil, such as the Orange juice production chain, are implementing similar models based on the Consecana success story.

<sup>1</sup> CONSECANA (Council of Sugarcane, Sugar and Ethanol Producers of the State of São Paulo)