



**BUILDING RESPONSIBLE
GLOBAL VALUE CHAINS
FOR SUSTAINABLE
TROPICAL FRUITS**

LAUNCH SESSION OF THE RESILIENCE COMPONENT

Summary report

4 October 2022, 16:30-17:30 CET (UTC+2), on Zoom

Background

This session marked the official launch of the new component activities of FAO's Responsible Fruits project, which focuses on strengthening the resilience of avocado and pineapple value chains actors and their operations. This component was included in the project in response to the growing need to build resilience to external shocks following the COVID-19 pandemic, climate hazards and economic slowdown.

The event provided an opportunity to introduce participants to the topic of resilience and the importance of strengthening resilience in tropical fruit value chains in a context where shocks and stressors are expected to become more frequent and intense. The session also served to discuss the links between the resilience and sustainability work of the project, and how embedding resilience into business operations, for instance through due diligence practices, is needed to make progress towards sustainability.

The event was organized online with Spanish-speaking companies and associations from the avocado and pineapple value chains on 4 October 2022. English-speaking participants were approached individually through separate online briefings to introduce this new project component.

Session objectives

1. Introduce the project component on resilience to producers, processors, packers and their organizations operating in the avocado and pineapple value chains.
2. Exchange experiences about main resilience challenges faced by these value chain actors and understand what strategies have been put in place to respond to these (if any).
3. Together with participants, identify opportunities where the project can provide support to strengthen the resilience of value chain actors and their operations.

Participation

Thirty-eight participants joined the online launch session, representing producer organizations, packers and processors from Colombia, Costa Rica, Dominican Republic, Mexico, Peru and the United States of America.

SUMMARY

The event agenda is presented in Annex 1. All presentation slides are available by sending a request to Responsible-Fruits@fao.org. The event and its context in the framework of the Responsible Fruits project were introduced by FAO. After this, FAO familiarized participants with the specific topic of resilience, highlighting its importance for tropical fruit value chains and its alignment with sustainable practices and responsible business conduct (part 1). FAO then presented a review of the results from the baseline survey conducted in 2021, with particular focus on the sustainability challenges faced by avocado and pineapple producers, how resilient they considered themselves to be, and whether they had any strategies in place for resilience building (part 2). The third part involved an open discussion that revolved around understanding the resilience capacities of businesses through a mix of closed and open-ended questions that allowed participants to reflect on their readiness to prepare for and adapt to future shocks and stressors. This part was facilitated using Mentimeter.com®, which allowed for an active engagement with participants. Lastly, FAO outlined the next steps for the project, including the preparation of a resilience study and stakeholder consultations. During this session, participants also shared their views on their priorities and needs for the work on resilience.

- **Opening**

Valentina Pérez-Mardones, FAO

The tropical fruit sector has been particularly affected by compounded disturbances, such as extreme climate events and other shocks including the COVID-19 pandemic and economic slowdown that has caused disruptions to supply chains and constrained import demand through reduced purchasing power. The tropical fruit sector is particularly vulnerable due to the perishable nature of its produce, the relatively high prices of tropical fruits compared to other fruits or staple commodities, and the heavy reliance on manual labour for production and harvesting, all of which put at risk its continuity when shocks or long-term stressors occur.

Despite this exposure to compounded risks, actors in tropical fruit value chains do have the ability to respond and adapt to the different shocks faced. Some producers have already adopted new practices that promote the sustainable use of natural resources and address issues related to water scarcity and soil degradation. Some value chain actors have also been proactive in conducting risk analyses to better understand their vulnerabilities and how to manage these in a timely manner.

Aiming to further strengthen the resilience capacities of value chain actors, the project incorporated a component to work together with businesses operating in the avocado and pineapple sectors to be better able to respond and adapt to future shocks and stressors.

- **Part 1 - Resilience: What and why?**

María Hernández Lagana, FAO

Resilience is understood as the ability of systems or system components to prevent, anticipate, absorb, adapt and transform when faced with a wide range of risks while maintaining an acceptable level of function, without compromising long-term

prospects for sustainable development and well-being for all.¹ This definition of resilience embeds a component of change and transformation and goes beyond the simplified concept of the ability to “bounce back” or merely coping with an event. This difference is particularly important, as once recovered, the system (or its components) can still be exposed and/or vulnerable to recurring shocks or long-term threats, such as climate change.

The definition is aligned to participants’ understanding of resilience as shown in the Word Cloud exercise (Figure 1), where most participants defined resilience with words related to “adaptation”, “change”, “creativity”, “flexibility”, “perseverance”, “resistance”, “continuity”, “recovery” and “response”. Interestingly, no mention was made to anticipation or prevention, which are also key capacities of resilience.

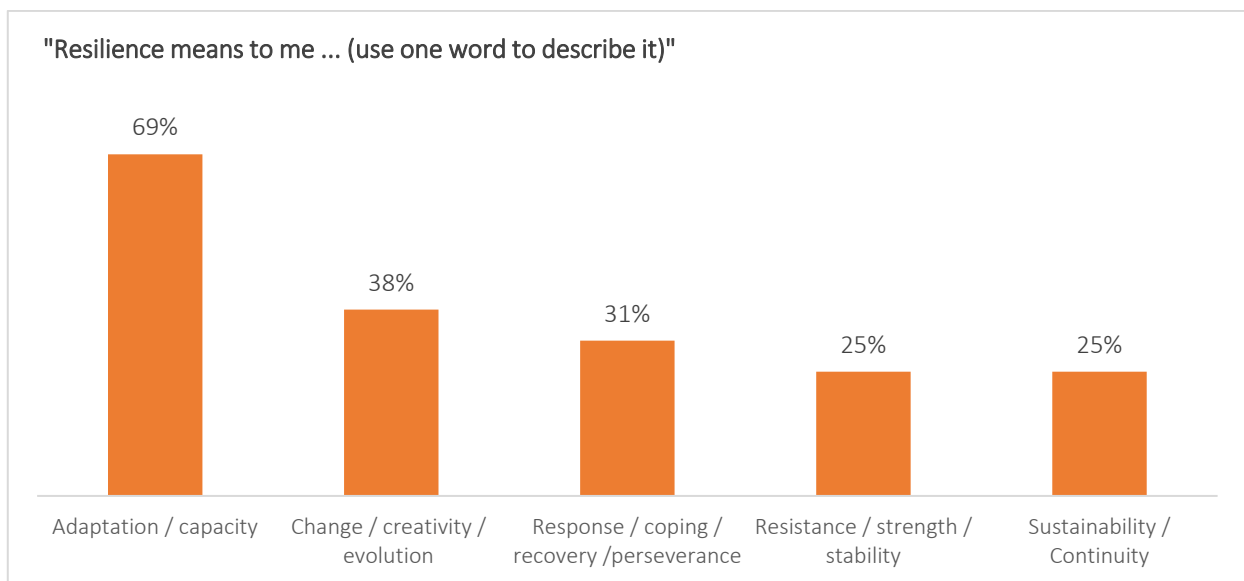


Figure 1. Participants’ understanding of resilience through a Word Cloud exercise

Resilience building is important, primarily to prevent disasters from occurring, which in turn will only materialize when pre-existing vulnerabilities are present. Put another way, vulnerability must exist before a crisis can emerge. Sources of vulnerability are mainly caused by a lack of power (or inadequate distribution of it) and resources (e.g. financial, knowledge, physical) to prepare for future shocks. This may include deficient infrastructure, restricted access to education or to information services, among others. Thus, no matter the severity of the shock, a disaster can be avoided by addressing the root causes of vulnerability by building resilience. If resilience is not prioritized as part of the sustainability strategy, tropical fruit value chains will become more vulnerable to future shocks and will likely struggle to manage their impacts.

Resilience should use a sustainability lens. Lack of resilience may force a value chain to focus on short-term actions and minimum requirements needed to survive when shocks occur. However, this reactive behavior may prevent them from taking more proactive, forward-looking steps to engage in sustainable behaviors (e.g. due diligence processes, climate adaptation and mitigation approaches) that ensure their long-term continuity.

¹ United Nations. 2017. Adopting an analytical framework on risk and resilience: a proposal for more proactive, coordinated and effective United Nations Action. New York.

- Part 2 - Revisiting the baseline survey results

Valentina Pérez-Mardones, FAO

During the event, the team highlighted the sustainability constraints and the perceptions associated with resilience as identified in the project’s Baseline Survey. The purpose of the survey, carried out in June 2021, was to understand current practices and needs of companies, producer organizations and trade associations operating in the avocado and pineapple sectors when it comes to sustainability, due diligence and resilience. The survey was completed by 36 companies. The companies were asked to identify the top four sustainability challenges they faced from a list of 23 topics. Participants were also asked to rate how resilient they believe their company is to a range of external shocks including pest and disease outbreaks, pandemics, economic and environmental shocks. Despite the impacts of COVID-19, the perception was largely optimistic, with 85 percent of avocado companies and 78 percent of pineapple companies reporting being highly prepared (self-assessment score of 7/10 or higher) to deal with these shocks and capable of recovering. However, when it comes to specific strategies to build resilience within the business, less than half of avocado companies, and only a third of pineapple companies had some form of strategy in place. Those that did relied on traditional tools such as business plans and risk assessments.

- Part 3 - Discussion

María Hernández Lagana, FAO and all project participants

Following the presentations, a discussion was facilitated to gain a deeper understanding about the exposure of avocado and pineapple business to different shocks and stressors, as well as the resilience of their operations.

The first question asked about **the intensity of the impacts** of climate change and other shocks on avocado and pineapple businesses and operations (Figure 2).

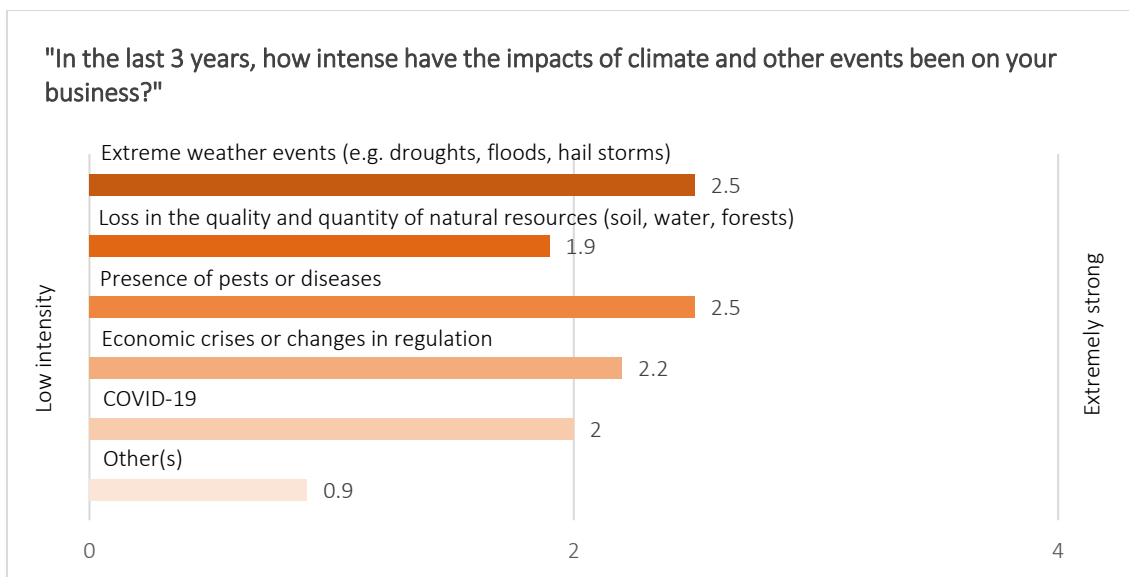


Figure 2. Self-assessment of the intensity of climate and other events on avocado and pineapple businesses

Participants highlighted that extreme weather events, such as hail or floods, as well as the presence of pests and diseases have been particularly harmful to avocado and pineapple producers. Impacts of changes in government regulations and economic recession were also strongly felt by participants.

During the discussion, participants highlighted many points, including:

- The COVID-19 outbreak had differentiated effects on the avocado and pineapple value chains. Actors from the avocado sector mentioned that despite the first wave being an intense unexpected shock, it did not harm the industry, as demand remained steady and avocado prices increased, benefiting producers. Conversely, the COVID-19 outbreak hit the pineapple sector hard, as demand from importing countries decreased and so did prices.
- Climate change has reduced productive capacity (e.g. through increased temperatures). In response to that, some producers have stated shifting or widening the range of commodities produced, including citrus.
- Pests and diseases have been more recurrent in the avocado sector, mainly due to intensive monoculture planting (e.g. large plantations of berries and avocado).
- The loss in quality and quantity of natural resources has also hit producers, mainly because there are no regulations in place to promote the use of good agricultural practices such as intercropping or crop rotation.
- Participants reported an increase in production costs due to higher fertilizers costs that they attributed to the war in Ukraine.

The second question explored the **adaptive capacity** of avocado and pineapple value chain actors by asking them whether their business would still be able to continue functioning if threats became more frequent and intense (Figure 3). Ten participants (59 percent) indicated that their business would probably be able to “get by” with some difficulties and six participants (35 percent) said that it would be very difficult for their business to continue functioning. One participant indicated that their business would be very unlikely to survive.

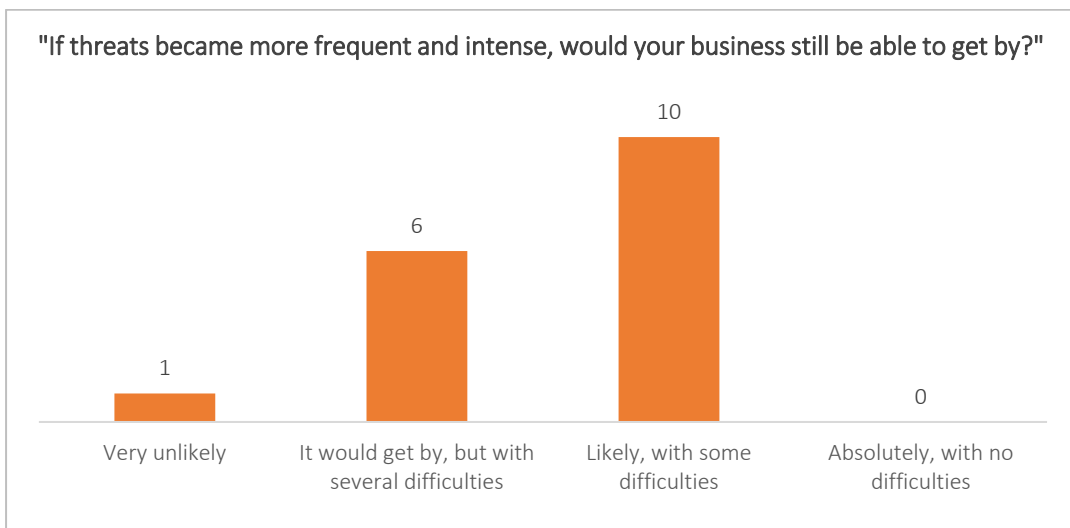


Figure 3. Self-assessment of the adaptive capacity of avocado and pineapple businesses

During the open discussion, the participants emphasized that:

- The nature of the multiple and multifaceted shocks faced (e.g. experiencing floods, landslides, damage to irrigation systems, elevated temperatures and markets shocks simultaneously) posed a resilience challenge for them, as they

were not able to fully recover and prepare for the next shock. Thus, if these events were to become more frequent and intense, they would face difficulties in ensuring the continuity of their businesses and would need external support.

- Multilateral international agreements such as the Mexico-United States-Canada Treaty, are useful to strengthen value chain resilience, as they promote the use of climate change adaptation practices, including water management.

Finally, when asked about the strategies businesses had in place to **overcome future challenges**, participants highlighted:

- Change in agricultural practices: These include research on climate resistant seeds, use of biofertilizers to reduce production costs, integrated pest and disease management, precision agriculture, water management practices and measures promoting pollination.
- Conservation of natural resources: Including forest areas and rainforests, and geographical diversification.
- Certification schemes: Towards improving socio-environmental responsibility.
- Economic and social action: Through the development of financial plans, agricultural insurance, life cycle analysis, market diversification, agricultural risk policy and vulnerability analysis of populations working in these value chains.
- Internal and external policy: Analysis of international regulations, development of a business sustainability strategy and risk environment mitigation plans.

- **Part 4 - Wrap up and next steps**

Ms. Maria Hernandez Lagana, FAO and all project participants

The project presented the planned next steps around the work on resilience, including:

- Study of resilience issues of avocado and pineapple value chains. This will be done through a desk review and consultations with producers, associations, processors and packers in the two value chains.
- Organization of a workshop to present, discuss and validate the study results. The workshop is planned to be held in December and will be open to all project participants from all regions.
- Elaboration of thematic and commodity-specific guides and briefs with focus on resilience building.

Participants were encouraged to share their views on their priorities and needs for the work on resilience. They mentioned:

- Focus on capacity development of small and mid-size farmers
- Align this work with climate change issues, as climate change impacts will increase the risks in the wider agricultural sector (crop, livestock and forest production). Climate change will also increase production costs significantly, whereas productivity will decline, both with direct impacts on rural incomes and livelihoods. Thus, research and environmental conservation should be prioritized to be able to protect the agri-businesses targeted by the project.
- Provide access to methodologies that can help address the issues of resilience within the value chains.
- Risk management and adaptation to climate change is limited due to a lack of robust and timely climate and weather information. In one country where avocado is a relatively new commodity, it was reported that insufficient and inadequate information exists to develop climate projections, which limit accurate planning of production, despite having risk and contingency strategies in place.

As always, the project team welcomes suggestions or questions on the project's activities at any time. Please contact us at: Responsible-Fruits@fao.org

Annex 1Working languages

The online session was held in Spanish.

Agenda

Section title	Speaker/Facilitator
Welcome and introduction (5 mins)	Valentina Pérez-Mardones, Outreach Specialist, FAO
Part 1: What is resilience and why is it important to avocado and pineapple value chains? (10 mins)	María Hernández Lagana, Resilience Officer, FAO
Part 2: Revisiting the baseline survey results (5 mins) The 2021 survey baseline results related to resilience will be shared with participants.	Valentina Pérez-Mardones
Part 3: Discussion (25 mins) Together with participants, we will try to respond the questions: <ul style="list-style-type: none"> ▪ How intense have been the impacts of climate and other events on your value chain / business? ▪ If threats became more frequent and intense, would your business still be able to get by? ▪ What actions or strategies does your business have in place to overcome future challenges (if any)? 	María Hernández Lagana / Participants
Part 4. Next steps (10 mins) In this section, we will discuss participant's ideas and suggestions about the work on resilience building to be undertaken by the project and that will help to respond to the challenges identified above.	María Hernández Lagana / Participants
Closing remarks – 5 min	Valentina Pérez-Mardones

For more information about the project or the webinar series, please contact: Responsible-Fruits@fao.org