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BUILDING RESPONSIBLE GLOBAL VALUE CHAINS FOR SUSTAINABLE TROPICAL FRUITS



## How do avocado and pineapple businesses shape the fate of Sustainable Development Goals?

The 2030 Agenda for Sustainable Development encompasses 17 **Sustainable Development Goals (SDGs)** and 169 SDG indicators that serve as a universal blueprint for eradicating poverty and hunger, protecting the planet, and ensuring universal peace and prosperity. These Goals are interconnected and require simultaneous efforts and cooperation between governments, civil society and the private sector to achieve success.

Businesses operating in the global production and export of avocados and pineapples can play an important role in advancing the SDGs.

The tropical fruit sector not only contributes to employment generation and export revenues but also provides nutritious food worldwide. However, it is essential to address the sustainability challenges arising from the sector's operations to avoid adverse impacts on both people and the planet.

If not properly managed, social, environmental and economic risks associated with tropical fruits value chains can have detrimental effects. This can impede the overall progress towards achieving the SDGs. A proactive approach is necessary to identify and avoid these challenges, ensuring that the avocado and pineapple sectors can continue to make positive contributions to the SDGs while minimizing their potential harmful impacts. By doing so, they can align their growth with sustainable development. Contributing to fulfilling the SDGs also help businesses mitigate risks, strengthen access to markets with high sustainability requirements, and improve relationships with consumers, workers, governments and other stakeholders.

Companies cannot be expected to contribute to the fulfilment of all SDGs simultaneously. To maximize their positive impact, they may select a few SDGs and SDG indicators that they can contribute to. A producer focusing on sustainable production practices may, for example, select SDGs associated with climate action, clean water and responsible production, while an importer sourcing fruits from smallholders may focus on poverty eradication and food security and nutrition. At the same time, companies should take active steps to avoid jeopardizing progress towards any of the SDGs.

Examples related to the various prospects and challenges associated with the fulfilment of a selection of SDGs are provided below.

#### Relevant SDGs in the avocado and pineapple sectors



# 1 Poverty

The avocado and pineapple sectors offer opportunities for job creation and income generation. On-farm employment is created in rural areas where most of the production takes place, while off-farm employment is offered in packhouses, logistics and other support services. The integration of these single operations into global value chains also allow small-scale producers and businesses to access export markets, increasing their incomes and reducing some dimensions of poverty.

However, businesses must prevent risks associated with wealth concentration, inequality, largescale land acquisition and competition over the use of natural resources, including water and forests. Prioritizing these considerations safeguards against hindering income generation and hampering poverty alleviation. This is especially critical when contemplating the expansion of production on a large scale to meet the demands of the global market. Expansion of the tropical fruit sector must avoid displacing farmers and communities or contributing to landlessness and precarious employment.

Aligning business practices with poverty reduction objectives can help build strong bonds of trust with local communities and workers and enhancing the overall brand reputation. By mitigating the risk of contributing to poverty and inequality, enterprises can avert conflicts and reputational damage.

2 ZERO HUNGER Businesses in the avocado and pineapple sectors can contribute to eradicating hunger by supplying nutritious and affordable foods. Both fruits are rich in vitamins, minerals and fiber, contributing to a healthy diet. As jobs and incomes grow, it is easier for workers and small producers to purchase food without compromising other priorities.

However, the expansion of production of tropical fruits aimed for export might divert resources and land from production of other food crops. This can lead to a decrease in the variety of food produced locally, which can negatively affect food security and nutrition. Poor working conditions and low incomes for producers and workers can also compromise the fulfilment of SDG 2.

Proactively contributing to food security and nutrition can create business opportunities for companies while fostering positive consumer sentiment.



Consumption of avocados and pineapples can have health benefits associated with improving cardiovascular health, reducing inflammation and enhancing digestion, given their rich vitamins, minerals and fiber content.

However, disregard for occupational health and safety standards and unsafe production practices, including the overuse of agrochemicals and intense sun exposure, can jeopardize the health and wellbeing of producers, workers and communities.

Emphasizing health and safety standards enable companies to access markets with stringent safety and environmental requirements. Strong and healthy workers and communities also make businesses more productive.



Women play a key role in the tropical fruit sector, mainly at packhouse-level operations. However, the occurrence of male domination in leading positions, discrimination of women and sexual violence in tropical fruit value chains has also been reported and risks jeopardizing the fulfilment of SDG 5.

To address these challenges, businesses can proactively create leadership opportunities for women. The sector can also work towards promoting better access to financial resources, information, services and productive resources for women.

Efforts to reduce gender inequality and empower women help companies to recruit capable female professionals and enhancing overall workforce well-being and productivity. Gender diversity can offer varied perspectives, enriched decision-making, access to a broader talent pool, a positive brand image, reduced turnover and insights into diverse markets, improved employee morale. Embracing gender equality translates into more competitive, adaptable, and successful businesses.



The tropical fruit sector can improve water quality by adopting sustainable production and processing methods, including reducing agrochemicals use and eliminating the release of hazardous chemicals and materials into waterways. The sector can increase water-use efficiency along value chains and ensure sustainable withdrawals and supply of freshwater by investing in more efficient technologies and monitoring water extraction.

The agricultural sector accounts for most water-use of human activities. Water overuse and misuse of synthetic agrochemicals can increase the water footprint of the sectors, negatively affecting water availability and quality.

Clean water is essential for tropical fruit production, and striving for water efficiency not only ensures resource availability but also reduces production costs. Overall, committing to clean water offers stability and cost savings.



Avocado and pineapple cultivation, processing and exporting can contribute to economic growth. Businesses in the sector can promote productive activities, decent working conditions, entrepreneurship, creativity and innovation. Companies must also respect binding international human rights obligations as well as international core labour standards namely the freedom of association and the right to collective bargaining, including for migrant workers, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.

Nevertheless, grave violations of labour rights have also been observed in the tropical fruit sector, jeopardizing the fulfilment of SDG 8.

Companies that actively contribute to decent work and economic growth and uphold labour rights and human rights can achieve enhanced workforce performance, reduced legal risks, improved reputation, and sustained long-term success.



The avocado and pineapple industries should aim for more responsible production practices reducing the negative environmental impact. In collaboration with importing countries, the sector can help to change unsustainable patterns of consumption.

However, the potential risks of large-scale production, processing, and distribution without sufficient regard for the ecological impact could undermine the attainment of SDG 12.

While the shift toward more responsible value chains might require upfront investments, these will yield valuable returns in the long term. These investments lead to cost savings through improved efficiency and provide access to discerning markets and consumers contributing to long-term profitability.



Avocado and pineapple cultivation can make significant contributions to climate adaptation and mitigation. The use of climate-smart agriculture and agroecological approaches can improve the quality and quantity of natural resources, sequester carbon and reduce greenhouse gas emissions, making agriculture and food systems more resilient to the negative impacts of climate change.

However, tropical fruit value chains may also contribute to global warming through deforestation, excessive input use and high energy use in processing and transportation. Moreover, unsustainable agricultural production practices can have detrimental effects on climate resilience.

Efforts to address climate change provide companies with cost-saving opportunities, such as decreasing dependence on costly petrochemical inputs, while also reducing risks linked to adverse climate impacts. Climate action can help to foster operational resilience, improve resource efficiency, widen market access, reduce risks, promote innovation, ensure supply chain stability, and cultivates a positive brand image.



Avocado and pineapple production can support biodiversity conservation and sustainability efforts by promoting the protection of ecosystems and vital natural resources, like soils, water and forests. Industry actors can also help protect genetic resources.

Nevertheless, the continued expansion of the tropical fruit sector may threaten the fulfilment of SDG 15, for instance, by changing land use, leading to deforestation, biodiversity loss and eradication of native crop varieties, and by overusing agrochemicals, among others.

Diverse ecosystems and more sustainable production practices helps the tropical sector maintain and strengthen resilience against shocks and save costs by reducing reliance on expensive agrochemicals.



Collaboration among avocado and pineapple industry stakeholders, governments, nongovernmental organizations and communities can aid in sharing good practices, technology and knowledge, fostering partnerships for sustainable development.

Disputes between for example workers and companies, between producing and importing country governments or between producers and retailers may also hinder the fulfilment of SDG 17.

Multistakeholder cooperation help address challenges that are too complex for individual actors to effectively address them in isolation.

It is crucial to recognize the interconnectedness of all SDGs, and equally important to note that the opportunities of tropical fruit value chains to contribute to the SDGs is context specific. Likewise, the risks of jeopardizing the SDGs also vary depending on the political and environmental context of the location of production and consumption, management practices and more. A critical way in which businesses can support the achievement of the SDGs is through the adoption of Responsible Business Conduct (RBC) practices.

### The Responsible Fruits Project helps tropical fruit industry actors adopt an RBC approach and benefit from it

Many companies in the tropical fruits sector are actively taking steps to address sustainability concerns discussed above. Nevertheless, value chains within the sector remain vulnerable to risks beyond their control. The FAO-led **Responsible Fruits Project**, with a specific focus on the global avocado and pineapple sectors, facilitates knowledge sharing and the adoption of Responsible Business Conduct (RBC) principles among producers, companies and associations. By implementing the project's recommendations, businesses in these value chains can demonstrate their commitment to achieving the SDGs while effectively addressing associated risks and benefitting from these efforts.

RBC refers to the adherence of businesses to principles and standards that integrate social and environmental issues into their core operations and supply chains. RBC involves avoiding, addressing, and remedying adverse impacts while contributing to sustainable development.

One significant advantage of adopting an RBC approach is the ability for businesses to actively avoid negative impacts. RBC requires that companies carry out risk-based due diligence, meaning that they identify risks, and then cease, remedy, avoid or mitigate any negative social and environmental impacts caused by both their own operations and those of their business partners. RBC, operationalized through effective due diligence, requires that risks are traced along value chains which strengthens transparency and accountability. This can help businesses identify and prevent risks to the fulfilment of SDGs and to their profitability.

RBC also emphasizes the potential of businesses to contribute to positive impacts. Through aligning their business strategies with sustainable development outcomes and actively working towards achieving the SDGs, businesses can enhance positive effects resulting from their core operations while promoting RBC among their business partners. Some of these positive effects include:

- Environmental sustainability: To avoid or mitigate environmental risks, fruit industry actors can adopt sustainable farming practices, minimize the use of chemical inputs, and protect natural resources. This contributes to environmental sustainability and improves resilience to external shocks such as negative climate change effects.
- **Community development:** RBC can foster community development by promoting inclusive business models that benefit local communities and ensuring consultation with all actors who could be affected by the business operations. For example, businesses may provide training and capacity building for small-scale farmers, support to local cooperatives, and invest in the development of community infrastructure.
- **Labour Rights:** RBC helps to ensure fair and safe working conditions for both women and men including the freedom of association and the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination, and access to healthcare and education.
- **Human Rights:** RBC is founded on the principle that companies must avoiding infringing on individual freedoms and each SDG is related to the fulfilment of these fundamental rights. Realizing the capacity of companies to contribute to the SDGs would therefore advance the fulfilment of human rights.

By adopting an RBC approach, tropical fruit industry actors can align their business operations with the SDGs. This can help companies to mitigate business risks, strengthen access to markets with high sustainability requirements, and improve relationships with consumers, workers, governments and other stakeholders. At the same time, aligning their operations to the SDGs helps tropical fruit value chains to contribute to a sustainable future.

### **Resources**

**FAO.** Forthcoming. Commodity Guide #1 Responsible Business Conduct in the avocado industry – a guide for producers and exporters.

**FAO.** Forthcoming. Commodity Guide #1 Responsible Business Conduct in the pineapple industry – a guide for producers and exporters.

**FAO.** 2023. *Resilience assessment of avocado and pineapple value chains*. Rome. https://doi.org/10.4060/cc5967en

**FAO.** 2023. *Ripe for change: adapting pineapple production to a changing climate.* https://www.fao.org/3/cc7119en/cc7119en.pdf

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**FAO.** 2023. *Responsible global value chains for agricultural products.* https://www.fao.org/markets-and-trade/areas-of-work/emerging-trends-challenges-and-opportunities/ responsible-global-value-chains-for-agricultural-products/en/

**FAO.** 2022. Gap analysis to support due diligence in the avocado and pineapple sectors. https://www.fao.org/markets-and-trade/areas-of-work/emerging-trends-challenges-and-opportunities/ building-responsible-global-value-chains-for-the-sustainable-production-and-trade-of-tropical-fruits/gapanalysis-tool/en/

**United Nations.** 2023. *The Sustainable Development Goals.* https://sdgs.un.org/goals

### **GET IN TOUCH**

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Markets and Trade Division - Economic and Social Development Stream

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