

Veinte Soles

Business Context

Veinte Soles is a group of Mexican entrepreneurs and professionals dedicated to the growing, production and marketing of quality natural vanilla products. The harvest of Vanilla in Papantla Veracruz and its surroundings is a key economic activity in the area, and it is a fundamental part of social and ethnic identity. In fact, Vanilla is perceived as a natural guardian to the environment within the community.

Veinte Soles, in joint effort with the community, has created what the company calls the “Program of Associate Producers”. One key element is to support producers with the challenges of Vanilla cultivation, as the plant climbs high on trees, is difficult to pollinate, and is reliant on a healthy ecosystem to thrive.

Deforestation is a big issue in this matter, as well as the increase of droughts due to climate change. Since Vanilla is an orchid, it also makes the plant susceptible to pests and soil management. Apart from the environmental challenges, there is a lack of diverse and young workforce, with the average worker being above 45 and male. Lastly, Veinte Soles identified risks entering the international markets. Some cultivation practices decrease the quality of vanilla, which can damage the reputation in international markets. Furthermore, international markets demand a fixed quantity of supply, which is difficult to meet with the climate change related risks producers are facing.

Examples of Veinte Soles’ interventions is to cultivate large trees that provide shadow coverage and to train farmers on semi-intensive cultivars and manual pollination.

Assessment

WHY? What was the objective of the assessment?

The objective of the assessment to assess and understand the benefits of sustainable practices, promoted by Veinte Soles in their vanilla production and to communicate the value created to clients.

The target audience for the assessment are the producer groups, potential investors, and the workers in the field.

WHAT? What was the scope of the assessment?

The scope of the assessment is intended to target the group of associated producers that need capacity building to improve their processes focused on fair trade, investors and workers.

The anticipated benefits of the assessment are the increase of good agricultural practice and sustainable crop care, as well as improved communication to investors to enhance vanilla production in the region.

HOW? What was measured and valued?

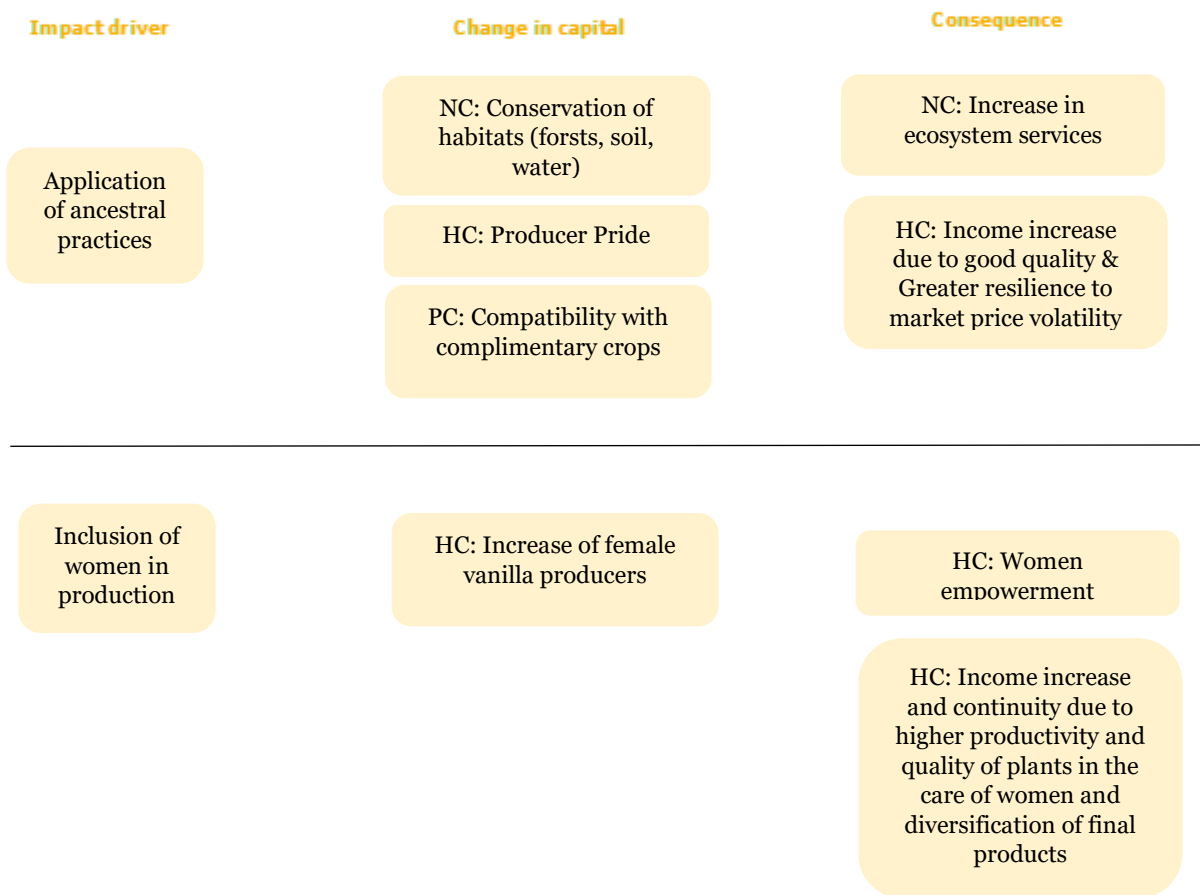


Figure 1. Key impact pathways identified by Veinte Soles

Material impact drivers measured and valued were use of ancestral practices and inclusion of women, as well as volatility of the global market, global demand and

production. The assessment mainly focused on social and human capital, with some inclusion of produced capital.

In Step 05, Ancestral practices was measured using several indicators such as number of days of sunlight, number of days of rest and number of months of maturation before cutting. To measure the inclusion of women, Veinte Soles simply used the percentage of women in domestic production.

Furthermore, Veinte Soles looked into price in USD/Kg, import data in consuming countries, vanilla purchases by sector and produced quality to assess produced capital.

In Step 06, the change of capital for the impact driver ancestral practices was identified in the conservation of habitats (forests, soil, water) (natural capital) and producer identity and pride (human capital). The indicator for change used was hectares of forest conserved in productive areas. An additional change of capital was seen in the compatibility with complementary crops (produced capital), measured using the production volume of complementary crops (tons/year) (produced capital).

The increase of female producers, the change of capital resulting from the impact driver inclusion of women, was measured with the number of women with contracts (human capital) and number of plants in the care of women, as well as the yield of these plants (produced capital, natural capital).

In Step 07, Veinte Soles valued the change of capital resulting from the selected impact drivers, using monetary, quantitative and qualitative valuation techniques.

For the impact driver ancestral practices, the consequence of the change in capital identified is the increase in ecosystem services, providing benefits for both business and society. A valuation will be applied using the transfer of benefits (monetary).

Another consequence is the income increase of the producers due to cultivating a high quality product and applying diversification, valued by assessing the price difference depending on the percentage of vanillin (monetary) and collecting qualitative and quantitative data through polls.

Finally, farmers are expected to gain a greater resilience to market price volatility. This is valued by data receiving through the poll.

Women empowerment as well as the increase in income and continuity due to higher productivity, higher quality and diversification is identified to be a consequence of the impact driver inclusion of women. This is valued by looking into the increase of family income due to women's salaries (monetary), a market valuation (monetary) and a satisfaction survey with female workers (qualitative and quantitative).

WHAT NEXT? What were the results of the assessment?

The results of the assessment have not been reported by the time of reporting.