

Call for Proposals: Accelerating the market demand for Bonsucro certified sugarcane in Brazil

Deadline for expression of interest: 10 August 2022

Summary

Bonsucro is the leading global sustainability platform and standard for sugarcane. In 2011, a sugarcane mill in Brazil became the first mill to achieve Bonsucro certification. Since then the production of Bonsucro certified sugarcane in Brazil has grown exponentially. Unfortunately, the market demand for Bonsucro certified sugarcane and its derivatives has not kept pace with this growth in supply. A demand gap is emerging, and this is undermining the incentive for producers to farm and mill sugarcane sustainably.

Bonsucro would like to tackle this demand gap and is looking to appoint a consultant to help us better understand the market for sugarcane and derivatives in Brazil and to identify opportunities to drive market uptake of Bonsucro-certified sugarcane.

Background and context

Bonsucro's purpose is to collectively accelerate the sustainable production and uses of sugarcane – for farmers, millers, buyers, and end users. It convenes its members and other partners to address critical challenges in the sugarcane sector, and drive performance and impact through its system of sustainability standards for sugarcane.

Bonsucro works across all sugarcane products and derivatives – sugar, ethanol, molasses, bagasse, among others. It also works across both traditional and newer market sectors, from sugar and alcohol to biofuels and bioplastics.

Bonsucro manages a community of more than 280 members in over 50 countries from across the sugarcane supply chain – from farmers and millers to traders and end users.

Since the first certification in Brazil in 2011, Bonsucro has expanded its reach to many of the world's biggest sugarcane producing countries. This has driven significant positive impacts in terms of social and environmental performance. In addition, market growth of Bonsucro certified volumes, both physical and credits, has also increased.

However, as with other sustainably produced commodities, the market for sustainable sugarcane and derivatives is still being developed and consequently the supply of sustainable sugarcane outstrips demand. This is particularly true in Brazil, where on average only 23% of all Bonsucro certified production is being traded as such.

Terms of Reference

Bonsucro would like to commission a study to better understand the trends and drivers impacting the market demand for sugarcane and its derivatives in Brazil. This study should also identify opportunities for Bonsucro to engage and communicate with Brazilian stakeholders to accelerate the market uptake of Bonsucro certified volumes more effectively.

This market study should cover existing market conditions for sugarcane, identify volume flows to the various market segments for sugarcane and its derivatives,¹ and key players and influencers. The study is also expected to present an overview of the Brazilian and international regulatory context, consumer preferences, and other relevant market information.

More specifically, the proposed study should cover the following elements:

- 1. Mapping the sugarcane sector and its derivatives in Brazil:** Drawing on secondary data sources and key informant interviews, the consultant (s) is expected to map the Brazilian sugarcane supply chain. At a minimum, this analysis should identify the following:
 - a. **Main producers and sellers of Brazil sugarcane and its derivatives** disaggregated by market segment size and product. This analysis should focus on all supply-side actors and include mills, refineries, distributors, and traders.
 - b. **Main buyers of Brazilian sugarcane and its derivatives.** How are these buyers segregated by geography and sector? How much? From where? To where? Do the volumes of sustainable sugarcane and its derivatives flow?
 - c. **Regulatory overview:** What are the national and international regulatory contexts and main market regulations impacting sugarcane and its derivatives that are applicable to Brazil?

- 2. The domestic demand for sustainable sugarcane and its derivatives in Brazil**
 - a. How are the supply chains for different sugarcane products structured locally?
 - b. What are the main representative associations of these buyers and how do these associations operate?
 - c. What are the key sustainability objectives/challenges these buyers face?
 - d. What are the drivers of market uptake for sustainable certified sugarcane and derivatives in Brazil? Is the domestic market for sustainably certified sugarcane growing and how does this compare with international markets?
 - e. What are the main Bonsucro market competitors in relation to certifying sugarcane and its derivatives as sustainable? (other certifications, etc) – how relevant is their share of market uptake for sustainable sugarcane and derivatives?
 - f. Is there an opportunity to explore sustainable claims for final consumers?

- 3. Recommendations around how Bonsucro should approach building the market demand for Bonsucro-certified sugarcane in Brazil.** Based on the analysis carried out above, the consultant(s) are expected to summarise the main challenges, opportunities and suggested strategies for Bonsucro to increase the market uptake of sustainable sugarcane products and its derivatives in Brazil. These draft findings and recommendations will be shared with a group of Brazilian stakeholders and members

¹ Note the sugarcane derivatives that we are interested in are raw sugar, white/refined sugar, ethanol (1 and 2G), energy cogenerated, rum, biogas/biomethane, CO2, bagasse, bioplastics, biochemicals, molasses, sustainable aviation fuel (SAF) and animal feed.

that Bonsucro will convene to oversee project outputs and should be further refined based on the discussion and feedback received.

Expected delivery date: 30 business days after contracting.

Qualifications of Researcher/Team

Essential

- Demonstrated experience with market research
- Demonstrated knowledge of Brazil's sugarcane value chain
- Data management skills
- Graphics and presentation skills
- Fluent English
- Writing skills

Desirable

- Familiarity with Bonsucro mass balance and credit trading systems
- Experience with voluntary sustainability standards
- Experience with commodity markets

How to Apply

Please submit a proposal to livia@bonsucro.com and rafael@bonsucro.com by **August 10 2022, 6pm Brasilia time**. The proposal must include the following:

- Itemised quote for the work, including details of daily rates for consultancy and number of days required to do this work.
- Detailed development plan and timeline.
- Experience and qualification reflecting essential and desirable criteria of the consultant or team.
- Copy or access to material already developed and published.
- Any comments, suggestions regarding the scope / development process.
- Any conflict of interest in delivering this service.

Terms of Service

Consultants/ contractors should declare all potential conflicts of interest. The material and documents produced will be property of Bonsucro. Bonsucro will contribute with technical information and internal data whenever necessary. The development of the material might require the consultant/contractor to collaborate with third parties (other experts, Bonsucro members, etc).

Budget

£ 10,000.00