RTRS Country Material Balance Standard for Chain of Custody

Version 1.1

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ROUND TABLE ON RESPONSIBLE SOY

RTRS

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RTRS Technical Unit
technical.unit@responsiblesoy.org and cc: **info@responsiblesoy.org**
The next review is scheduled for May 2023 at the latest. Earlier reviews might be scheduled upondecision by the Executive Board or as required by ISEAL membership requirements.

The RTRS official languages are English, Spanish and Portuguese, however in case of any inconsistency between different versions of the same document, please refer to the English versionas the official one.

1. Introduction

The RTRS Chain of Custody Standard offers several chain-of-custody systems to producers, processors and users of responsible soy/corn, soy/corn derivatives and soy/corn products, including mass balance and physical segregation. At present, mass balance accounting is only performed at the level of a physical site, e.g. a farm with storage capacity, a silo, a storage unit, production sites, etc. with each physical site having its individual accounting system (inputs and outputs of RTRS date from the same physical site). Rules for site-level mass balance accounting are defined in the Module A of the RTRS Chain of Custody Standard.

The Country Material Balance (CMB) Standard Module was developed by RTRS Technical Unit. It defines the rules for accounting of RTRS or RTRS non-GMO material at national level and subsequent adaptations in chain-of-custody, assurance and claims.

Important Notice: The CMB system cannot be used in the context of RTRS EU RED certification, as the European Union only authorizes site-level mass balance accounting system.

2. Summary of system

This module specifies the requirements for 'national-level' mass balance RTRS soy/corn chain of custody systems. The system allows one organization to apply mass balance accounting of RTRS or RTRS non-GMO soy/corn, soy/corn derivatives and soy/corn products over a number of physical production sites within a given country in one single accounting system (inputs and outputs of RTRS data from different physical sites). Each production site shall belong to (or be rented by) the same organization and shall be certified individually or as a multi-site under mass balance chain of custody (module A) or segregated chain of custody (module B). This module is anticipated to be used where an organization operates a number of farms with storage capacity, silos, crushing facility, storage sites, etc. within a given country.

3. Scope of the system

3.1 Applicability

3.1.1 The requirements of this module (Country Material Balance for Chain of Custody) shall apply to any organization taking legal ownership of RTRS or RTRS non-GMO material in more than one physical sites located in the same country, and making claims about the material outputs supplied to customers being RTRS Country Material Balance (CMB) material.

3.1.2 All requirements in this module shall be applied in addition to the General Chain of Custody Requirements for the Supply Chain.

3.1.3 The organization shall comply with General Chain of Custody System Requirements for the Supply Chain and the requirements in this module at the level of a physical site and single country as relevant. Where requirements for producers are regionally specific, these till need to be assessed in the context of the specific location of the producer.

3.1.4 All production sites taking part in a Country Material Balance scheme shall be owned and operated by the same organization in the same country.

4. Handling of RTRS and/or RTRS non-GMO certified material

4.1 Critical control points

4.1.1 Where the organization is simultaneously implementing more than one of the RTRS Chain of Custody System, it shall ensure that all inputs into the RTRS Country Material Balance system are RTRS or RTRS non-GMO certified material sourced from the same organization operating either RTRS national-level mass balance chain of custody systems, RTRS mass balance chain of custody systems or RTRS segregation chain of custody systems.

4.2 One Single accounting system for RTRS data

Inputs

4.2.1 RTRS data for each physical site participating in the CMB system shall be recorded in the material accounting system by the organization after it has gained legal ownership of the input material, and has ensured the supporting documentation contains the correct RTRS information (see VII.4.1.1 General Requirements for Chain of Custody Systems for the Supply Chain).

4.2.2 The organization shall record the total quantity (volume or weight) of RTRS mass balance inputs received in all physical sites participating in the CMB system. This data shall also be recorded as output units, using either the conversion factor(s) for the processing unit or actual measured output quantities.

4.2.3 Where the processing or manufacturing process generates co-products / by- products, the organization shall record the total quantity (volume or weight) of RTRS mass balance inputs received in all physical sites participating in the CMB system using separate categories for co-products / by-products.

4.2.4 Where additional sustainability data is associated with the RTRS mass balance inputs received in all physical sites participating in the CMB system, this data shall remain aggregated and recorded in the one single accounting system using separate categories for each identical group of aggregated sustainability data.

Outputs

4.2.5 Where the processing or manufacturing process generates co-products /by- products, the organization shall deduct the total quantity of RTRS data supplied to customers by all production sites participating in the CMB system from the respective co-product and by-product categories in the material accounting system. The organization shall not apply RTRS data generated from the production of one co-product / by-product to a different co-product / by-product.

4.2.6 Where additional sustainability data is associated with the RTRS material supplied to customers by all production sites participating in the CMB system, the organization shall deduct the quantity of data supplied to customers from the relevant category of aggregated RTRS data in the one single accounting system.

4.2.7 The organization shall ensure that the output of RTRS mass balance material supplied to customers by all production sites participating in the CMB system does not exceed the input of RTRS mass balance material received by all production sites participating in the CMB system, using either a a) continuous balancing system (point 4.4) or b) a fixed inventory period (point 4.5).

4.2.8 The organization shall not supply RTRS data to customers for non-soy/corn, non- soy/corn derivatives or non-soy/corn products. In bulked products, the RTRS data shall only be applied to the proportion of soy/corn, soy/corn derivatives or soy/corn products.

4.3 Allocation of RTRS data

4.3.1 The balancing of input and output of RTRS data for all production sites participating in the CMB system shall be implemented as part of the one single accounting system.

4.3.2 The organization shall allocate RTRS data to customers using either a a) continuous balancing system (point 4.4) or b) a fixed inventory period (point 4.5).

4.3.3 Records of RTRS data available to allocate to outputs are clearly visible to relevant organization staff and maintained updated at all times.

4.4 Continuous balancing systems

4.4.1 Where a continuous balancing system is in operation, the organization shall ensure that the total quantity of physical RTRS mass balance material inputs and outputs (volume or weight) at all physical sites is monitored on a real-time basis.

4.4.2 Where a continuous balancing system is in operation, the organization shall ensure that the total quantity of material (volume or weight) at all physical sites is at least the same as the quantity of RTRS data (volume or weight) available for allocation to outputs in the one single accounting system.

4.4.3 Where a continuous balancing system is in operation the organization shall ensure that the one single accounting system is never overdrawn. Only RTRS data which has been recorded in the one single accounting system shall be allocated to outputs supplied by the organization.

4.4.4 Where a continuous balancing system is in operation, RTRS data is valid for 24 months from the date it was first recorded in the one single accounting system. If the organization does not allocate the available quantity of RTRS data to outputs within 24 months, the data shall expire and be deducted from the one single accounting system.

4.5 Fixed inventory periods

4.5.1 Where a fixed inventory period is in operation, the organization shall ensure thatthe total quantity of RTRS mass balance material inputs and outputs (volume or weight) at all physical sites are balanced within a fixed inventory period which does not exceed one year (12 months).

4.5.2 Where a fixed inventory period is in operation, the organization may overdraw data when there is evidence that total RTRS mass balance purchases at all physicalsites are under contract for delivery within the inventory period, to cover the RTRSoutput quantity supplied.

4.5.3 Where a fixed inventory period is in operation, RTRS data which has not be allocated to output material at the end of the inventory period can be carried overand recorded in the one single accounting system for the following inventory period. Carried-over RTRS data is valid for 24 months from the first day of the inventory period. If the organization allocates less than the available quantity of RTRS data to output materials over 24 months, the data shall expire and be deducted from the material accounting system.

4.5.4 Where a fixed inventory period is in operation, the organization shall ensure that the one single accounting system is not overdrawn at the last day of the inventoryperiod. Only RTRS data which has been recorded in the material accounting system within the inventory period (including data carried-over from the previousperiod as per 4.5.3) shall be allocated to outputs supplied within the inventory period.

5. Communication and claims

5.1 General requirements

5.1.1 The organization shall comply with all applicable requirements included in theRTRS Use of the Logo & Claims Policy.

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RTRS Technical Unit:

technical.unit@responsiblesoy.org
info@responsiblesoy.org

www.responsiblesoy.org