



FORWARD

F A R M B U R E A U®

CONFRONTING THE ISSUES

Agricultural Sustainability AFBF Policy Development 2008

Issue: Many food processing and retail outlets are touting sustainability as an important quality of their products. Some companies are requiring producers to utilize specific production practices and even submit to third-party audits of their farms in order to supply these companies with product. These restrictions on production practices by companies interested in maintaining the appearance of a strong “corporate responsibility” image, are likely to impose additional costs on farmers and ranchers.

Background: Wal-Mart’s web site devotes an entire page to sustainability and states: “Our opportunity is to become a better company by looking at every facet of our business—from the products we offer to the energy we use—through the lens of sustainability.” (<http://walmartstores.com/Sustainability/>). McDonald’s Vice President for Corporate Responsibility Bob Langert discusses the company’s ‘Journey Toward Sustainability’ and lays out the “Four Scientific Principles That Lead To A Sustainable Society” as:

“In a sustainable society, nature is NOT subject to systematically increasing:

- Concentrations of substances extracted from the Earth’s crust
- Concentrations of substances produced by society
- Degradation by physical means

AND in that society:

- People are not subject to conditions that systematically undermine their capacity to meet their needs” (<http://csr.blogs.mcdonalds.com/default.asp?item=249567#comments>)

Regardless of how you view the merits of these attitudes, sustainability requirements and limitations on production practices are an important part of agriculture’s future. While there may not be a scientific basis for some of the production practice requirements, if a farmer is not able to find a buyer, or must sell products they grow at a significant discount, the end result may be an economic problem for the producer.

One of the major issues is the definition of sustainability. The McDonald’s example given above is one of the few, somewhat specific definitions as to what sustainability means. Many other companies are even more vague on their particulars. Further, it is not clear that having taken actions to meet a production requirement that the rules will remain the same. Again quoting Mr. Langert, “There is no end point. The more you do, the more you see how much more needs to be done. Systemic issues demand continuous and incremental progress--and not just from one company. True sustainability can be achieved only as a collective process involving *all* the important players.” (Same site)

Ideally firms will pay a premium for products with special characteristics or produced using specific processes, but what starts as a higher-level practice today, often becomes the industry standard tomorrow.

Agricultural Sustainability (continued)

While retailers are the largest drivers in the push for sustainability, there are other interests at work. The environmental community has realized that the voluntary standards setting process can be an effective way to circumvent the American National Standards Institute traditional forum for developing policy.

Voluntary standards' setting has been a way to bring uniformity to their product or service and there are arguments for having a standard. Recently the voluntary standards setting process has been co-opted by individuals pushing their own political agendas.

Questions:

How should Farm Bureau define 'sustainability'?

Should Farm Bureau support development of a standard or commonly accepted practice for sustainability? Should we oppose the commercial implementation of such standards?

Farm Bureau Policy:

This is an area where there is limited specific Farm Bureau policy. The majority of policies related to environmental activities focus on implementation of government programs or limitations on government regulations. Most AFBF policies focus on 'market based' approaches to environmental issues. When a company specifies how we may or may not farm, it is a market based approach, but can have the same effect as a government regulation.

Some of the most pertinent lines of AFBF policy include:

Policy 227 – Environmental Management Systems

Lines 31-35: Environmental management systems should be designed to provide positive incentives for producers to manage natural resources in such a way that it will benefit the environment and be economically feasible.

Policy 228 – National Conservation and Environmental Policy

Lines 1-7: We believe that improving the environment by enhancing conservation, wise use and productivity of our natural resources through private ownership, individual freedom and market-oriented approaches is our most important conservation and environmental goal. Achieving a zero-tolerance for all pollution is not only improbable, but technically impossible as a result of advances in detection and analytical methods.