

# Food and farming for development – helping end hunger?

How should UK food and farming plc contribute to the Sustainable Development Goals?

A report of the Business Forum meeting on Tuesday 7<sup>th</sup> July 2015



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## About the Business Forum

Ethical questions around climate change, obesity and new technologies are becoming core concerns for food businesses. The Business Forum is a seminar series intended to help senior executives learn about these issues. Membership is by invitation only and numbers are strictly limited.

The Business Forum meets six times a year for an in-depth discussion over an early dinner at a London restaurant.

To read reports of previous meetings, visit foodethicscouncil.org/businessforum.

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#### Introduction

"End hunger, achieve food security and improved nutrition and promote sustainable agriculture"

Goal 2 of the Sustainable Development Goals

There is no doubting the ambitious and aspirational nature of this goal. But what does it mean in practice? Is it attainable? What role can and should progressive food and farming businesses play in contributing to the delivery of the Sustainable Development Goals ('SDGs')? What are the business cases for food companies to act? And to what extent should international development issues be on food businesses' radars?

Other SDGs are highly pertinent to food and farming too, such as "Ensure healthy lives and promote well-being for all at all ages"; "Ensure sustainable consumption and production patterns" and "Take urgent action to combat climate change and its impacts".

None of these goals are achievable without progressive action from food and farming industries.

The July 2015 meeting of the Business Forum explored what food and farming business might – and should–contribute in helping end world hunger, and in meeting the new SDGs. It considered where the boundaries of responsibility lie and to what extent businesses *should* be responsible for promoting international development and global food security, whether through direct actions or indirectly via lobbying for good. This meeting was the Food Ethics Council's 51<sup>st</sup> Business Forum.

We are grateful to our keynote speakers, Professor Tim Wheeler, Deputy Chief Scientific Advisor at DflD, Peter McAllister, Director of the Ethical Trading Initiative and John Steel, CEO of Cafédirect. The meeting was chaired by Helen Browning, Chief Executive of the Soil Association and Chair of the Food Ethics Council.

The report was prepared by Dan Crossley and Anna Cura, and outlines points raised during the meeting. The report does not necessarily represent the views of the Food Ethics Council, the Business Forum, or its members.

# **Key Points**

- There has been substantial progress over the past 15 years in reducing the proportion of the world's hungry, predominantly due to the advances made in China and India. Nevertheless, overall the success of the Millennium Development Goals ('MDGs') has been mixed.
- As we move from MDGs to Sustainable Development Goals ('SDGs') this picture is likely to remain variable.
  The SDGs have an even broader agenda than the MDGs, whilst they are also intended to be universal in nature, rather than primarily developing world focused.
- In the context of food and agriculture, there is one core SDG ('to end hunger, achieve food security and improved nutrition and promote sustainable agriculture'), but 11 of the other goals have a direct or indirect impact on the sector.
- National governments have an important role to play in ensuring businesses and sectors actively contribute to delivering the SDGs. The role of government should include providing good governance and transparency on rules, regulations and best practice.
- At present, the SDGs feel very distant for many food and farming companies – very high level, long-term aspirational goals that are not presented in ways that particularly resonate with businesses. However, the SDGs provide a potentially hugely valuable framework for the food and farming sectors to focus their efforts on delivering greater social value (in ways that allow long-term commercial success).
- Why not introduce SDG champions within key government departments to ensure the UK is genuinely helping meet the SDGs? And why not also have SDG champions within the UK food and farming sectors too? Striving to end hunger and achieve food security will be hugely challenging. However, there is an opportunity for progressive food and farming sectors to lead the way and to inspire others to work towards these aspirational goals.
- There is a moral case and there are growing business cases – to act. Surely it is possible - and valuable - for an SDG framework to be translated into a relevant business framework for food and farming businesses?



#### From MDGs to SDGs

There has been substantial progress over the past 15 years in reducing the proportion of the world's hungry, predominantly due to the advances made in China and India. Nevertheless, assessed 'in the round', the relative success or otherwise of the Millennium Development Goals ('MDGs') presents a mixed picture.

As we move from MDGs to SDGs this picture is likely to remain mixed. The fact that there were only nine MDGs gave (relatively speaking) a focus at a high level. Plans for the SDGs are still being confirmed, but the likelihood of moving to 17 SDGs, 169 targets and 300 proposed indicators, suggests future activity might be a little messier. The challenge is how to set priorities at a high enough aspirational level without losing focus.

In the context of food and agriculture, there is one core SDG, but 11 of the other goals have a direct or indirect impact on the sector. SDGs are universal, meaning their focus will not just be on developing country issues. The consultation process for the SDGs has rightly been extensive. However, it was noted that discussions over 'how to finance SDGs' are happening in advance of the final SDGs being finalised, and that how to measure progress against the SDGs is still being discussed. Hence the sequencing does not seem ideal.

## The MDGs and measuring success

The SDGs present challenges and opportunities to national governments and their departments such as the UK's Department for International Development ('DfID'). The issues they raise require high-level focus, but their breadth means they may in fact do the opposite. Data and measurement are clearly important. Data is supposed to underpin the SDGs, but some of the draft goals have been judged to be immeasurable. A recent study suggested that only about 16% of the 300 indicators could be reliably measured. This is woefully low, especially given the huge levels of investment involved. Once the final SDGs are published, a lot of work will still need to be done to establish evaluation frameworks and appropriate data collection.

One example is the Global Open Data for Agriculture and Nutrition ('GODAN'), which "supports the proactive sharing of open data to make information

about agriculture and nutrition available, accessible and usable to deal with the urgent challenge of ensuring world food security." The rationale is that if data is in the open domain it helps all stakeholders assess progress and challenges. It may stimulate innovation and it helps improve national statistical capacities for work in the developing world. Success against the myriad of indicators is very important to understand, not least so that departments such as DfID know where and how to focus investments.

## Business and international development

There is still debate over what (international) development really means in relation to business. There are a number of aspects to development that are important to consider. These include governance, economic growth, social infrastructure and humanitarian assistance, as well as cross-cutting issues.

Firstly on governance, if there is not an enabling environment, good laws in place, respect for property and an ability for people to trade properly, then business will always have a limited impact. It is in a business's interest to understand and influence (where it can) the governance landscape - including strong institutions, proper trade unions, engaging industrial relations and an effective dialogue between businesses, civil society and government.

In the food system, where there are often very long supply chains, it can be difficult to advance issues without a framework of good governance. How can food businesses interact in the formulation of those laws so that there is good governance, and how can they demonstrate the right sort of behaviours, raising the bar for everyone? It is in businesses' interests to have transparency, accountability and good governance. In emerging economies, it is important to make sure taxes are paid and there is a long-term interest in an appropriate tax regime.

Secondly is the issue of economic development. When new businesses set up in the UK, there are a myriad of voices telling them what they can and cannot do. However, in many parts of the world, the resistance to change is absent and it is arguably all too easy for a business to engage in a way that unintentionally affects community rights, disempowers women, damages water sources and negatively impacts local

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<sup>&</sup>lt;sup>1</sup> http://www.godan.info/



subsistence farmers. Major multinational companies often invest in other countries, which can be mutually beneficial for the business and for local stakeholders, but only if businesses engage and invest in that part of the world for the long-term. If not, the risk is that it becomes an extractive relationship — which is not sustainable in the long run.

Cocoa is one example where there has historically been a power imbalance, with investment only in the crop, rather than in the land and the local communities. This is gradually changing for the better in some parts of the world. However, it is often the case that products grown are not consumed in the producing country, which only enhances the sense that business engagement is extractive.

Thirdly is the issue of social development. The MDGs primarily looked at social development indicators. For example investing in education and training in local producer communities can be mutually valuable for the business and local communities in the long-term. Understanding a business's interaction with social development issues is critical to how it is able to pursue its goals.

There are also cross-cutting issues, such as gender empowerment and climate change that are inextricably linked with the concepts of international development and sustainable development.

#### Benefits of SDGs

The SDGs are relevant to business. Several of the SDGs are clearly directly relevant to the ongoing viability and success of businesses – for example sustainable consumption and climate change – and many others are indirectly relevant.

The SDGs provide a potentially valuable framework for companies to focus their efforts on delivering greater social value. One food company representative said that the business will review its sustainability plan after the publication of the SDGs, because this is what is required by its supply chain. There is a potentially catalytic effect here – if one or two major corporations use the SDGs as a framework, then suppliers and peers alike might be encouraged to follow suit. Using an SDG framework enables a business to rethink, and assess, what their mission and vision are (or should be). SDGs do not necessarily need to be referred to directly, as long as their spirit is behind a goal.

An SDG framework might encourage food and farming businesses to think about wider impacts of Sometimes husiness decisions there are unforeseeable impacts to business decisions, for example investment in upskilling farmers and then having to convince them to grow a particular crop that the business needs. Using the SDG indicators can also help businesses focus on areas they should tackle individually and those they should collaboratively.

Using the SDGs can reinforce a company's licence to operate. If food and farming companies fail to invest in capacity building in their supply chains in ways that minimise environmental impacts, it puts the company's survival at risk.

## Difficulties integrating SDGs into business

**Not a driving force?** The MDGs were a reference point for business, but were not necessarily a driving force for most businesses. There is a concern that the same will apply to SDGs. Are there any situations where a situation improved because an MDG was introduced, or might they have improved anyway? It is very difficult to do that kind of retrospective analysis and to capture the added value of having high-level long-term, aspirational objectives.

Too high-level? The discussion around SDGs happens at a very high level, which is sometimes difficult to translate into tangible actions for businesses. The issue with the goals and targets being set at such a high level (for example 'ending hunger' or 'ensuring food security') is a serious one. Some of the indicators proposed include greenhouse gas emissions, biodiversity, diversity of crops and animal resources, and value of agricultural productivity per hectare. It is at that level that business leaders may see more clearly how their work relates to the SDGs and where their organisations can start making a difference.

**Too long-term?** The nature of the SDGs is that they are very long term. Fifteen years is approximately three government terms — which introduces a short term political factor — and is much longer than most businesses' strategic planning cycles. It is also far longer than the attention span of financial markets. These factors can make it difficult for companies to integrate SDG thinking directly into their strategies. Short-term concerns often take priority; the argument goes that a business will not survive 15 years if it does not first get through the next year — so there is an



immediate licence to operate challenge. However, one could ask what is a company's legitimacy if it is not contributing to the SDGs? For some products, crops and geographies, the rationale is perhaps more obvious. A company making chocolate for example, may only be able to source cocoa from West Africa, and if so it is in its interest to understand and support local communities in its producer areas. Food businesses need to have teams looking at the shorter timeframe *as well as* at the longer term SDGs.

**Not sector specific?** As things stand, food businesses will have to do some of the 'hard work' identifying which SDGs are most relevant to them and which are less relevant.

Uses non-business language? It was suggested that SDGs sound more like a treaty for world peace than a set of business goals. Of most immediate concern to businesses is their customers. For food businesses, it tends to be about ensuring the safety, availability, quality and affordability of products for their customers. What some are only starting to realise is that to achieve this goal, they also need to ensure long-term food security across the supply chain, with minimal environmental impacts. SDGs may be influencing the industry, but it is at a very high level, with the hope being that CEOs will become inspired to integrate them into their individual business structures and goals. There is a big difference between food businesses claiming they agree with the SDGs, and genuinely integrating them within their business.

**Too targeted at large agri-businesses?** The question was raised as to whether other voices – such as smaller businesses – have fair access to opportunities to have a say in influencing the development of the SDGs. Is there 'fair say' (equality of autonomy and voice) and 'fair play' (equality of opportunity)<sup>2</sup>?

## The business case(s) for using the SDGs

There is not currently a strong business case for food companies to proactively use the SDGs as a strategic framework. It is necessary to translate the SDGs into a language that businesses can understand and that is relevant to them. Rather than simply saying the SDGs are good for the planet and social development, it might help to turn this around and say that the SDGs

http://www.foodethicscouncil.org/society/food-justice.html

are a necessary and good thing for business. Case studies might be useful here to demonstrate different elements of business cases.

There are food and farming companies who already give room for social development benefits (such as helping children in producer countries go to school). Cafédirect is a social enterprise — a social mission driven business — that sells ethically sourced tea and coffee. Cafédirect's Gold Standard includes a number of key performance indicators linked to the MDGs. This shows that food and drink businesses *can* incorporate MDG and SDG thinking into what they are trying to achieve and how they operate.

The most obvious business case for linking to the SDGs is perhaps around security of supply and threats to the direct supply chains of food companies. The rationale for food business to use, and contribute to, the SDGs needs more clearly articulating. However, there are likely to be many different commercial drivers for companies to take individual and collective action to help deliver the SDGs. As part of this, it is important for individual food and farming companies to assess how pre-competitive collaboration can help them contribute to delivering the SDGs and which NGOs to partner with in order to help them.

## Working with governments

Public sector investments are often through partnerships – one such example is the development of small-scale business models for the agri-sector in Rwanda and helping build up from a small scale. It was suggested that DfID can, and should, play a catalyst role – and the question was asked as to how DfID might equally help maximise opportunities for business. Part of this could involve Government convening the 'right conversations' with the 'right people', which should include leaders of relevant food and farming businesses. It was suggested that perhaps a government department like DfID could for example convene UK food retailers that all source from a particular location and potentially fund a precompetitive project.

The involvement of businesses is just as important as NGOs and government in discussions around the development and implementation of the SDGs. That should not, though, equate to them having undue influence. It is important to make sure that such a relationship is not about commercial success. It was suggested that SDGs might provide the framework

 $<sup>^{\</sup>rm 2}$  Food Ethics Council (2010) Food Justice: The report of the Food and Fairness Inquiry



within which business-government relationships that will benefit sustainability can be established.

More fundamentally, the national government's role should be to provide good governance and transparency on rules, regulations and best practice. This requires a close relationship and integration between government and business, which it was suggested has not existed for several decades in the UK. These relationships take time to build. SDGs might be the anchor point to help deliver mutually beneficial, sustainable relationships in the long run.

The SDGs are very different from the MDGs, not least in that they are intended to be universal. In the UK, the MDGs were very much developing-world focused; hence DfID was the key department. Whilst negotiating teams for the SDGs have resided primarily with DfID, there is arguably a hugely important role for many other UK Government departments to take ownership of certain aspects of the SDGs.

## Communicating value to customers

There is often an assumption that customers aren't prepared to pay extra – hence competition focuses on price rather than value. If food businesses are adding value to their supply chains, surely they should communicate this more effectively to their customers? There are moves in place to internalise the externalities of unsustainable food production, which should ultimately mean that food produced and traded fairly, humanely and sustainably ends up costing less than unsustainable food. There is a public health responsibility to value 'good' food. It was suggested that more needs to be done to enable and encourage people to value food. There needs to be a shift from a narrow definition of value (in terms of price) to a broader incorporation of values.

## Postscript: Reflections

Much discussion around the SDGs treats them as a follow-on from the MDGs, which is understandable and largely intentional. However, it may be helpful to think of the SDGs as a distinct project (which admittedly builds on the MDGs successes and learns from its failures) that is a new, broader set of goals that are universal in nature.

At present, the SDGs feel very distant for many food and farming companies. However, surely it is possible and valuable - for an SDG framework to be translated into a relevant business framework for food and farming businesses? The UK has a duty to play a leading role in ensuring the aspirational SDGs are embraced by the food and farming sectors now, rather than being an academic reference point for businesses to check in on every few years.

Should there be SDG champions within key government departments to ensure that the UK is genuinely helping meet the SDGs? Similarly should there be SDG champions within the UK food and drink industry — perhaps at key trade associations — to ensure that food and farming businesses are playing their part?

Food and farming businesses cannot end hunger on their own and cannot deliver the SDGs themselves. However, the SDGs can not be delivered without the active, willing participation of food and farming businesses. There is a moral case — and there are growing business cases — to act.



# Speaker biographies



**Professor Tim Wheeler** is Deputy Chief Scientific Adviser at the UK Department for International Development. He is on secondment from the University of Reading where he is Professor of Crop Science. At DFID, Tim provides science advice to Ministers and oversees the research portfolio of the Research and Evidence Division. He has extensive experience of working with policy-makers in the UK and internationally and was Specialist Adviser to the House of Lords in 2010. He has provided advice on the sustainability of food and farming to agri-businesses and food multi-nationals, often up to Board level. Tim is a member of BBSRC Council, the HEFCE REF sub-panel for Agriculture, Veterinary and Food Science and two of the UK's Government's Leadership Councils (Agricultural Technology and Space).



**Peter McAllister** is Executive Director of the Ethical Trading Initiative (ETI), a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. ETI works to drive sustainable change in key global supply chains including fruit and wine from South Africa, seafood from Thailand and garments from Bangladesh. Peter has spent more than 20 years engaged in international development and rights-based initiatives around the world, including seven years at the Geneva-based International Cocoa Initiative (ICI) and 13 years with the international development NGO CARE.



John Steel, Chief Executive Officer of ethical pioneer and sustainability leader Cafédirect, is a food & drink entrepreneur determined to challenge the status quo and make business a force for good. John was previously Managing Director and then Chairman of Cornish Sea Salt, where he helped establish a provenance-led sustainable food business. He brings a mix of corporate and entrepreneurial experience in B2C & B2B including food & drink and online business initiatives, from start-ups to organizations such as Nestle, Weetabix & Premier Foods.



Helen Browning farms 1,350 acres in Wiltshire, as a tenant of the Church of England, with dairy, beef, pig, sheep and arable enterprises. Her business 'Helen Browning's Organic' supplies organic meat to multiple and independent retailers...and also runs the village pub. Helen became Chief Executive of the Soil Association in March 2011, and prior to that was Director of External Affairs at the National Trust. Helen is also Chair of the Food Ethics Council and has been a member of several important commissions concerning British agriculture and food, including the Curry Commission on the Future of Farming and Food; the Agriculture and Environment Biotechnology Commission; and the Meat and Livestock Commission. She was awarded an OBE in 1998 for services to organic farming.

(Helen chaired the discussion on the evening)