



Are Farmers Good & Ready for Everybody?

**Alberta Crops Sustainability
Certification Pilot Project**

Karla Bergstrom

Alberta Canola Producers Commission

Alberta Crops Sustainability Certification Pilot Project



Alberta
Barley





Alberta Crops Sustainability Certification Pilot Project



Alberta Barley



Challenge:

Common Metrics Different Mix



Goal – Are farmers ready for sustainable agriculture standards?

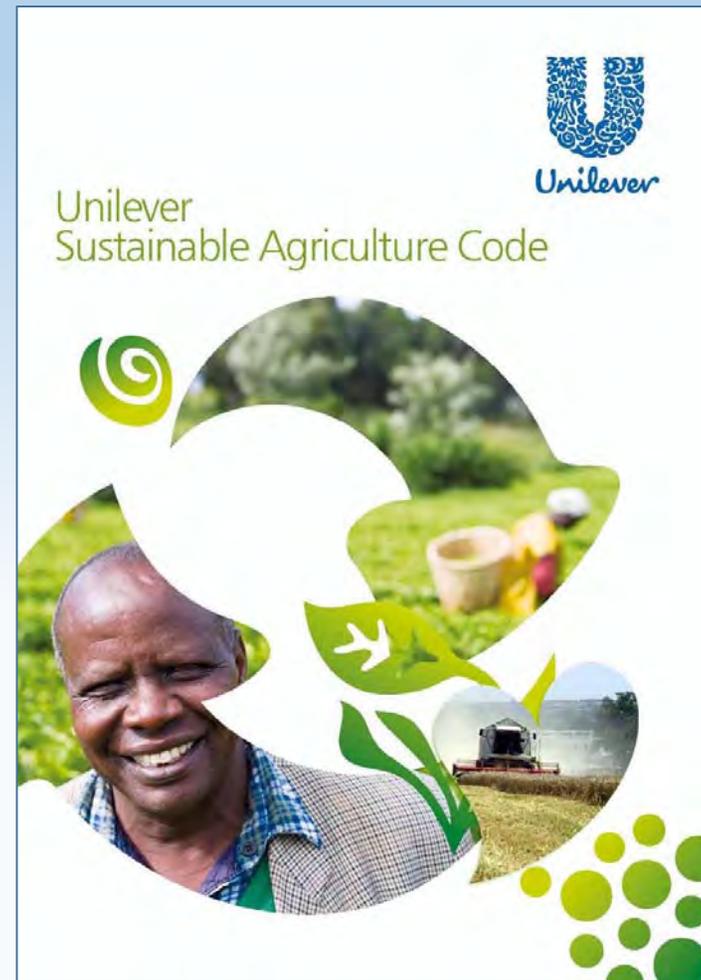


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Sample of International Standards

1. Unilever Sustainable Agriculture Code (ULSAC)



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Sample of International Standards

2. International Sustainability and Carbon Certification PLUS (ISCC PLUS)



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Sample of International Standards

3. Sustainable Agriculture Initiative (SAI) Farmer Self-Assessment 2.0



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Sample of International Standards

4. The Sustainability Consortium's (TSC) Key Performance Indicators



Hot Spots:

Fertilizer application

Air emissions discharge

Child labour & Forced labour

Indigenous People's Rights

Water scarcity

Mycotoxin contamination

Ecologically Sensitive Areas

Chemical application

Integrated Pest Mgmt

Worker health & safety

Fair income

Soil disturbance

Financing

Market access

Energy consumption

Biodiversity Mgmt

Gender discrimination

Water use & irrigation

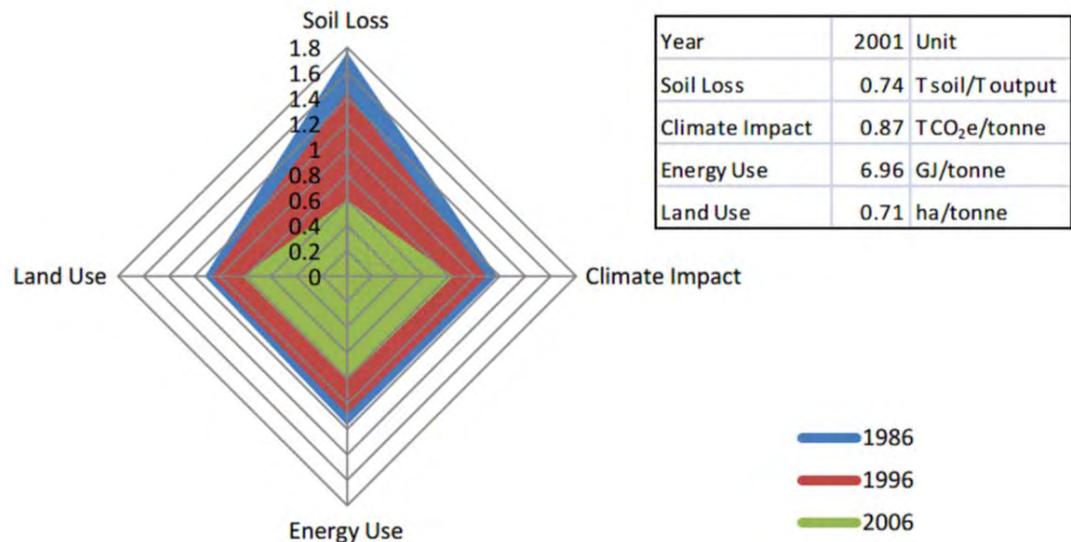
Soil quality & loss

Land Occupation

Effluent discharge

Project Complement:

Canadian Field
Print Calculator



Canola Efficiency Indicators Over Time (Serecon 2011)

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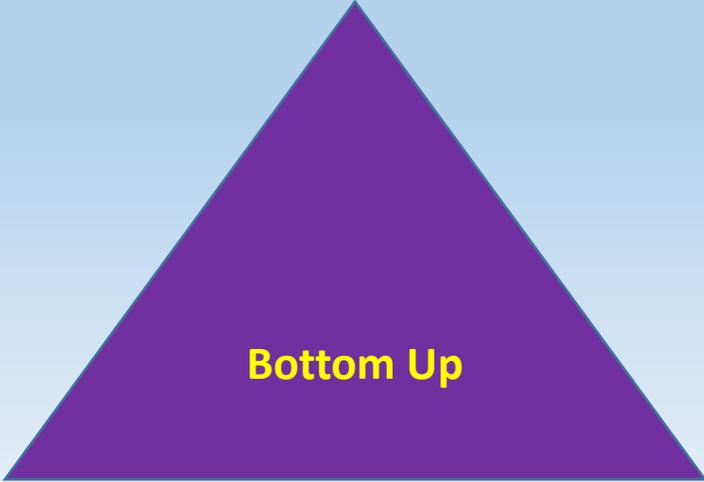
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Top Down

ULSAC
ISCC PLUS
SAI
TSC KPIs



Bottom Up

Canadian Field
Print Calculator

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Record Keeping



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Will there be a Premium?



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Sustainability is more than just claims on a package: it must be rooted in the agricultural system we already have, allowing for the continuation of farmers' rights, adaptation of science in agricultural systems, and the food preferences and cultural shifts of the consumer.

Al Mussell, Agri-Food Economic Systems

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ALBERTA
Canola
PRODUCERS COMMISSION



ALBERTA PULSE
GROWERS



Alberta Wheat
COMMISSION

Thank you

Karla Bergstom

Policy Analyst

Alberta Canola Producers Commission

780-454-0844

karla@canola.ab.ca

@Karbanger

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Barley**



**ALBERTA
Canola
PRODUCERS COMMISSION**



**ALBERTA PULSE
GROWERS**



Alberta Wheat
COMMISSION

March 12, 2015 Speaking Notes: Are Farmers Good & Ready for Everybody?

How *ready* are Canadian farmers to meet the demand for sustainably-grown ingredients? This was a big question asked by stakeholders across the grains value chain at the newly formed Canadian Roundtable for Sustainable Crops. This roundtable is a national, multi-stakeholder initiative for advancing, reporting on and communicating the sustainability of Canadian grain production. I am here today to tell you about the Alberta Crops Sustainability Certification Pilot Project that germinated out of this roundtable.

The pilot project is an initiative by four of Alberta's crop commissions: Alberta Barley, Alberta Canola, Alberta Pulse, and Alberta Wheat. It is the first project of its kind in Canada, and it's really about helping us understand the *readiness* of Alberta farmers to respond to sustainability standards that will be required from the marketplace in the next few years. The project will also give us a preliminary indication of how Alberta farmers rank against international sustainable agriculture guidelines for on-farm practices and consumer goods' supply chains.

The sustainability standards that I'm referring to are the many environmental, social, economic, ethical, and food safety standards that have been adopted by companies, especially from within the food industry, to demonstrate their performance to their customers, be they consumers or other businesses. You've likely heard of Fairtrade and Rainforest Alliance, maybe even OceanWise? Chef Ned Bell renowned for his work at Vancouver's Four Seasons Hotel biked across Canada raising awareness for sustainable seafood last year. I'm not saying that farmers should bike or even drive their combines across Canada, but what are you doing to promote sustainability practices you are using on your farms?

Sustainability standards are what gives companies from oil sands to agriculture social licence to operate. The bottom line is no longer just about profit; the triple bottom line is the new reality. Sean Royer, Government Co-Chair of AEPA and Executive Director of Alberta Agriculture's Environmental Stewardship Division, who spearheaded all of us being here today, said that business schools are teaching future CEOs that social responsibility and environmental sustainability, not just economic profitability, are essential for brand protection.

Speaking of brands. Two-thirds of the world's food production is purchased by massive multinational companies, such as: Nestle, Pepsico, Kellogg's, General Mills, and Unilever. McDonald's and General Mills are working towards verified sustainable sourcing of ingredients by 2016, and Unilever by 2020. Farmers, are you good and ready for these massive food companies to mandate that their entire supply chains adopt sustainability standards? To all the producers in the room, you know what sustainability is, you live it every day using practices that ensure the land is there to support future generations.

But, you have the largest footprint in the supply chain, you know there's a gap between good farmers and not so good farmers (and it's not just yield), and you also know consumers are scrutinizing more and more of your farming practices. Rightly or wrongly. So, if you want to continue farming with minimal restrictions and regulations, then you will have to define and defend what sustainability means to maintain the public trust.

The challenge for farmers with sustainability standards will be "being all things to everybody". The challenge for the supply chain will be supplying different markets. The Canadian Roundtable for Sustainable Crops has big concerns about how common criteria will be applied by different markets. The first initiative on their work plan is to develop a sustainability metrics platform for Canada's grains sector. The four crop commissions are taking a proactive approach with our pilot project because if we invest the time upfront, then our directors and members will have an opportunity to knowledgeably influence the development of this platform. Which leads nicely into how Alberta's sustainability certification pilot project works.

The goal of our pilot project was to evaluate the state of readiness of 50 farmers in Alberta against market requirements set forth by international sustainable agriculture standards. This task proved difficult due to a lack of farmer buy-in and scheduling. Gratefully, we have 35 committed participants and Control Union will start on-farm visits on March 16, 2015. Control Union is a global company that offers sustainability certification. They were recommended for this pilot because of their expertise on certification programs that are specific to agricultural production.

Control Union will not be doing a true on-farm audit and there will be no certificate of sustainability issued, but individual producers will get a personalized assessment of how they rank against international sustainable agriculture guidelines. One of the outcomes of this project will force us to look at certification and ask some tough questions. How important will that sustainability certificate be in the future? It is a legal document verifying that your farm meets a specific set of criteria. What are the associated costs? And who pays? There are many across Canada who are eagerly anticipating the results, and the report should be finished later this spring.

With many of the Commissions' directors participating, we will get firsthand experience with the on-farm audit process, with the various sustainability metrics used, and we'll get a preliminary indication of how Alberta farmers as an aggregate rank internationally against these guidelines. Alberta's pilot combines a sample of four different global sustainability platforms: Unilever's Sustainable Agriculture Code (ULSAC), the International Sustainability and Carbon Certification PLUS (ISC+), the Sustainable Agriculture Initiative (SAI) Farm Self-Assessment 2.0, and The Sustainability Consortium's Key Performance Indicators.

Despite similarities in major goals and certification procedures, there are some significant differences in various global standards. One of the major differences is the strictness of the standard. These four programs were picked because they set the bar high for the agriculture sector, promoting the strongest social and environmental practices, and working with the top performers to constantly push up sustainability expectations.

Unilever's Sustainable Agriculture Code has over 70 pages of practices, which all their suppliers of agricultural raw materials should strive to achieve. Unilever's practices were created and tested by their network of practical agronomists and farmers, consultants and sustainability advisers. Over the years, Unilever realized that while there are clear differences between the management of annual and perennial crops, temperate and tropical farming systems, different soils and landscapes, and social settings, good farming everywhere has much in common. Unilever's code is also in cross compliance with ISC+, so if our farmers were to be certified under ULSAC, then they should also be accepted by ISC+.

International Sustainability and Carbon Certification PLUS is one of the leading certification systems for sustainability and greenhouse gas emissions because it has a high degree of certainty. In 2010, it received the worldwide first official state recognition by the German authorities. In 2011, the European Commission recognized ISC as one of the first certification schemes to demonstrate compliance with the EU's Renewable Energy Directives.

Crystal MacKay, Executive Director of Farm & Food Care in Ontario said that the discussion Canada is having now is similar to one that happened in the UK twenty years ago. Back then, agriculture in the United Kingdom was arrogant, thinking that "everyone needs to eat" and "everyone likes farmers". Labeling schemes ran rampant, with marketers wrestling to out-label each other, while their efforts did not actually improve animal welfare at all. One of the reasons that the EU has gone to a locked down certifications system is because it was the only way that they could respond to the NGOs. I'm not advocating that these systems are the way to go in Canada, but we need to understand that some markets have stringent sustainability requirements and entire markets can be closed off when the environmentally friendly practices of Canadian farmers are not being recognized.

The third standard that the pilot project uses is the Sustainable Agriculture Initiative platform. It is the only global food industry initiative, and it is recognized for having the best management practices for sustainable agriculture. SAI seeks involvement from all food chain stakeholders to continuously improve their sustainable agriculture practices making for an easier and more flexible adoption by farmers, worldwide.

The fourth standard in the pilot is The Sustainability Consortium, it is a global organization dedicated to improving the sustainability of consumer products by building science-based decision tools that address sustainability issues that are important throughout a product's supply chain and lifecycle. Tools like Category Sustainability Profiles for grains and oilseeds use Key Performance Indicators to track performance towards addressing hotspots like the ones listed on the slide, such as fertilizer and pesticide use, water use, energy consumption, ecologically sensitive areas, worker health & safety, and soil quality and soil loss.

Soils are the single most important production factor for human nutrition, but they are increasingly under threat of erosion, physical and chemical deterioration, and fragmentation and conversion. Questions that will be asked during the on-farm visit include:

- Do you have a soil management plan to maximize soil quality and minimize soil loss?
- How do you manage soil erosion on your farm?
- What are your tillage practices?
- What crops do you grow and how do you rotate between crops?
- And what techniques do you use to apply N, P and K fertilizers?

But these questions are not just applicable to the 35 farmers in the pilot, all farmers should be able to answer them.

The Canadian Field Print Calculator is a free online tool for growers to voluntarily analyze how their management choices impact natural resources and operational efficiency. The calculator is a complement to our pilot project because food companies are looking for hard data representing farms. The on-farm visits are a perfect opportunity to advance the Field Print Calculator because there's an overlap with the information that's being collected for the other four sustainability standards. The pilot will also help us understand whether farmers that utilize the Canadian Field Print Calculator will have an advantage in meeting different sustainability criteria, and again participants will receive an individualized Field Print report with their farm's results.

The takeaway from the four sustainability programs used in this pilot are that they are top down systems, meaning the farmer doesn't have to do anything (other than have good day-to-day practices); the auditor visits the farm and does the work. The Field Print calculator, is a bottom up approach because it relies on farmers providing their own data and self-evaluating against benchmarks that are based on optimal best practices. From a sustainability point of view, you are optimized when you are the best that you can be. For example, if standards only looked at the fertilizer rate, then less nitrogen equals less carbon. But, that is not optimal because there would be no consideration for "mining the soil" and future production. The top down certification systems would be like using an accountant to do your taxes, but there is a

cost to using their services. The bottom up approach is like filing your own taxes... it can be done, but it's a heavy lift. Farmers struggle with this approach because they don't have the data or it's a struggle to get the data, and some data is useful, but not all data may be required.

One thing for certain is agriculture is moving into a data rich environment. It will be important for farmers to keep good records, now more than ever before, because sustainably-verified ingredients are being required from buyers. Another key learning to come out of this project will be adequacy or inadequacy of records. It's not good enough to keep records in your head, you will need to provide evidence. The pilot might tell us that Alberta farmers are indeed good and ready for the most comprehensive international sustainability standards. If they are, then let's announce it to the world that we're producing sustainably-grown barley, canola, pulses, and wheat. If we find out farmers are not good and ready, then what are the key learnings that the industry needs to work on, what are the associated costs? And who pays? It will be up to the Commissions to work together to plan out the next steps once the final report is available.

Some of you see sustainability as more hurdles and hoops with increased costs. Some of you see it as an opportunity to invest in continuous improvement with increased profits. Charlie Arnot with the Center for Food Integrity says that there will not be a premium for doing what is right. I can't say whether there will be a premium or not, but my gut feel is that sustainability is a fundamental shift, and the marketplace will be different from what it used to be.

Canadian agriculture is vibrant, diverse, innovative and adaptive, just think of all the changes that have occurred in the last century since you, your fathers and grandfathers started farming. The marketplace is different from the one that they sold to. Agriculture in Alberta was built on a foundation of producers like you who are very good at what you do.

In closing, for the food industry to be sustainable, farming has to be sustainable. In order for farming to be sustainable, farmers, farm workers, and farm children have to be able to earn a living, and live a decent and dignified life. Farmers who grow the food that we eat every day want the same things we all want for our families – safe, wholesome food, but recognizing there is growing interest from consumers about where their food comes from and whether it was produced sustainably. I'll end with a quote from Al Mussell, a Senior Research Associate with Agri-Food Economic Systems because I think it sums up why we are doing this pilot project perfectly. "Sustainability is more than just claims on a package: it must be rooted in the agricultural system we already have, allowing for the continuation of farmers' rights, adaptation of science in agricultural systems, and the food preferences and cultural shifts of the consumer."