

Researchers find major food retailer's sustainability program drives farmers' environmental practices

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Leafy green vegetables are produced in a growing facility in Western Cape Province, South Africa. A new study shows a company-led sustainability program at a major food retailer in South Africa drove increased adoption of environmental practices at the farm level. Credit: Tannis Thorlakson



When grocery stores tout sustainable products, consumers may take their claims at face value. Yet few studies have analyzed whether or not companies who claim to improve the sustainability of their products are actually changing practices in their supply chains.

In a new study published online Dec. 22 in the journal Global Environmental Change, Stanford researchers carried out one of the first analyses of a company-led sustainability program in the food and agriculture space. Studying the agricultural supply chain of Woolworths Holding Ltd. (Woolworths), one of the five largest supermarket chains in South Africa, they found that its Farming for the Future program drove increased adoption of environmental practices at the farm level. Agriculture is one of the largest global environmental polluters, driving deforestation and contributing an estimated 30 percent of total greenhouse gas emissions.

"If indeed these company-led policies are effective and able to transform their entire supply chains, then they can potentially transform land-use practices worldwide and have a very positive impact on the environment," said study co-author Eric Lambin, the George and Setsuko Ishiyama Provostial Professor in the School of Earth, Energy & Environmental Sciences (Stanford Earth). "Having this kind of evaluation done by independent researchers increases the confidence of the public in these private programs."

Driving change or greenwashing?

The biggest challenge in evaluating the effects of food store sustainability programs has been gaining access to stores' private data. For this reason, researchers have focused on certifications led by nongovernmental organizations and multi-stakeholder standards that offer open access to their data, such as FairTrade and the Rainforest Alliance.



"The real question here is, 'Will companies' sustainability efforts slow if they don't have an NGO checking in on them? Will they be actually driving change or is it just greenwashing?'" said lead author Tannis Thorlakson, a doctoral student in Stanford Earth's Emmett Interdisciplinary Program in Environment and Resources (E-IPER).

Several U.S.-based food retailers with company-led sustainability programs refused to grant Thorlakson access to their data. Eventually, the high-end South African grocery and clothing chain Woolworths gave access.

"It's really hard to evaluate a company's sustainability program because you need to know exactly who their suppliers are and how the program works," Thorlakson said. "Woolworths provided a unique opportunity because they agreed to total academic freedom to evaluate their program and publish results."

The researchers found that Woolworths' large-scale fruit, vegetable and flower growers use more environmental management practices when compared both over time and with a random sample of farms certified by the food industry's global environmental standard for farm management, known as GLOBALG.A.P. The world's most widely implemented farm certification program, GLOBALG.A.P. enforces definitive environmental rules for farmers and performs annual third-party audits of production.

Helping farmers

Woolworths' Farming for the Future program combines annual auditor feedback with the individual needs of farmers, rather than imposing definitive rules. Farms are evaluated on sustainability criteria each year, including soil management, water use, biodiversity, waste disposal, pest management, carbon footprint and environmental laws. The company



also employs auditors trained as agronomists, soil scientists or environmental scientists.

"According to one <u>farmer</u>, other auditors will drive into the farm and say, 'Nice trees you've got there,'" Thorlakson said. "'But when the Farming for the Future auditor comes in, they drive up and they say, 'Tell me about those trees – those are an invasive species and they're probably affecting your water table. Why aren't we working on a management plan to deal with those?'"

In addition to its flexible model and relationships with its auditors – who are financed by Woolworths – researchers believe the program's success can be attributed to its growers being part of a direct supply chain. Other large grocery chains often have intermediate suppliers between them and the actual farmers.

"The auditors are building relationships and helping farmers improve their practices," Thorlakson said. "For example, conventional farmers are now using cover crops, which is a really hard practice to get farmers to take up but which creates long-term environmental benefits. We're seeing big shifts in farming practices, which is really exciting."

The Stanford researchers conducted empirical analyses of the company's farming practices since the program was formally launched in 2009 to understand changes over time, using more than 950 third-party audits of 228 large-scale farmers. The analysis also included a comparison of Woolworths and a random sample of similar GlobalG.A.P. certified farms. Thorlakson began fieldwork in 2015, when she spent three months embedded in Woolworths' sustainability team in Cape Town, South Africa.

Thorlakson completed more than 90 qualitative interviews with auditors and farmers in October 2016, which mainly showed that farmers value



long-term partnerships with their buyers, she said. Researchers hope this study will encourage other companies to rethink their <u>supply chain</u> sustainability programs to incorporate a more partnership-based approach to working with their farmers.

"I hope that more companies will see the value of letting researchers evaluate their program and publish the results – if we find that a program is not that effective, we can also identify why and see what's wrong, and how it can be improved and what can be corrected," Lambin said. "The more of these studies we are able to do, the better the scientific community will become at identifying the reasons for success."

More information: Tannis Thorlakson et al. Improving environmental practices in agricultural supply chains: The role of company-led standards, *Global Environmental Change* (2017). DOI: 10.1016/j.gloenvcha.2017.10.006

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