



SUSTAINABILITY IN RETAIL

Retailing in the Green Economy: Getting Serious about Sustainability

WPP





Peter Melchett
Policy Director



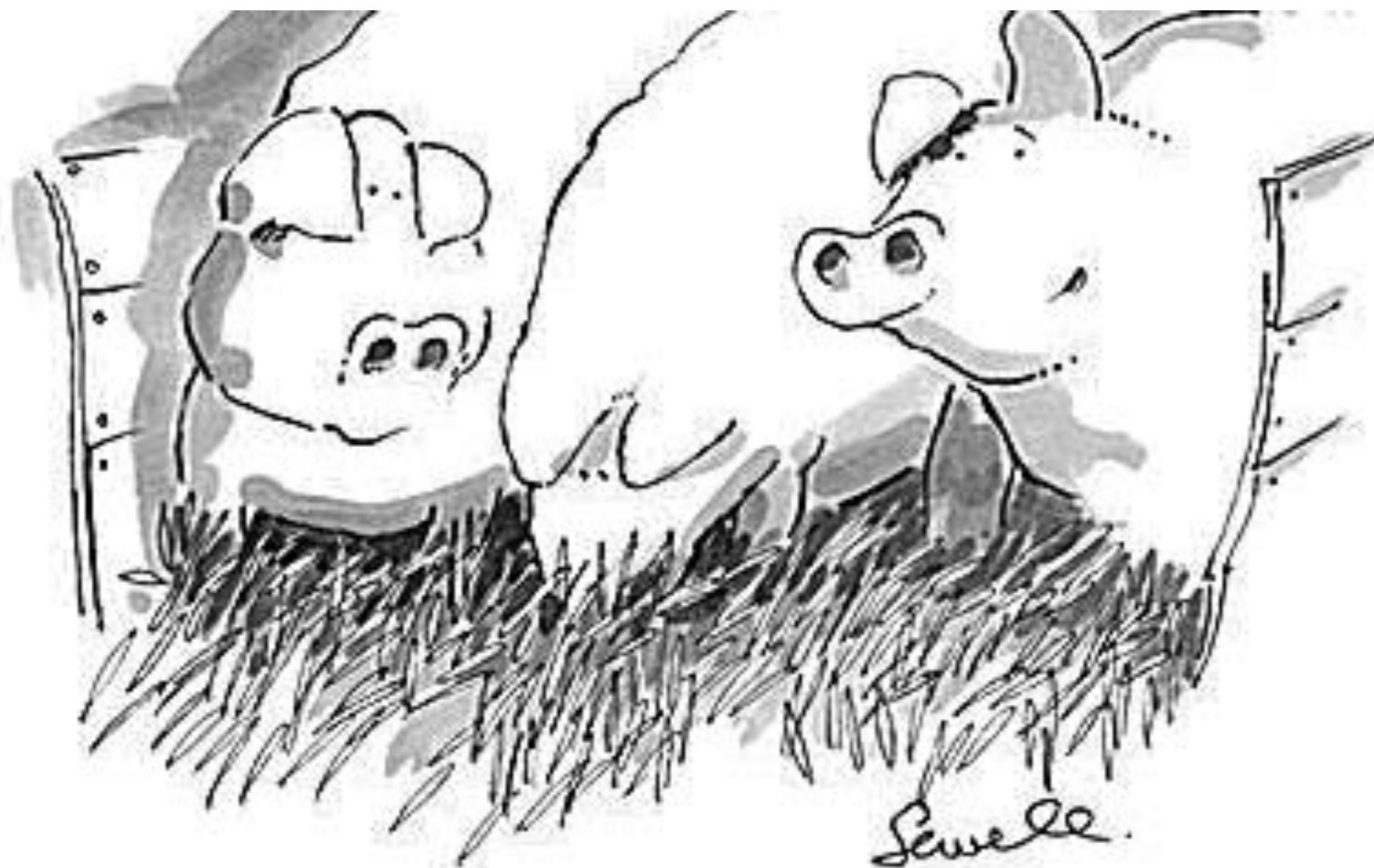
We are...



- **an environmental charity working with companies, government and NGOs to monitor research and to encourage policies to grow organic food and farming**
- **a training resource and a voice for organic consumers, manufacturers, retailers and farmers**
- **custodian of the highest UK organic standards**
- **the leading certifier in the UK organic market**
- **an educational charity working in schools and with adults to raise awareness of farming and food**

Soil Association





"...and I dreamed I was flying over
fields and fields of happy farmers."



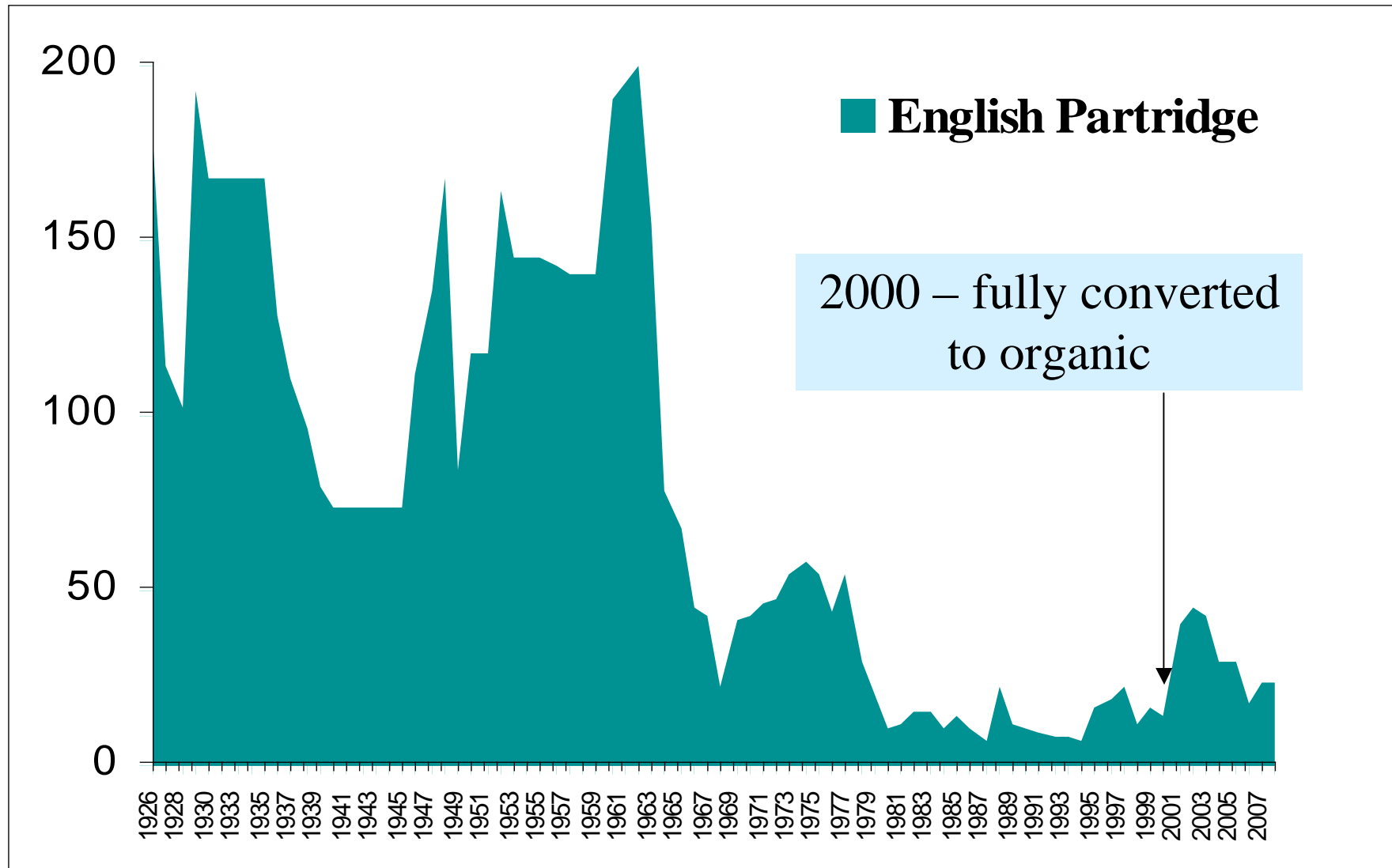






SUMMARY OF SPRING PARTRIDGE COUNT

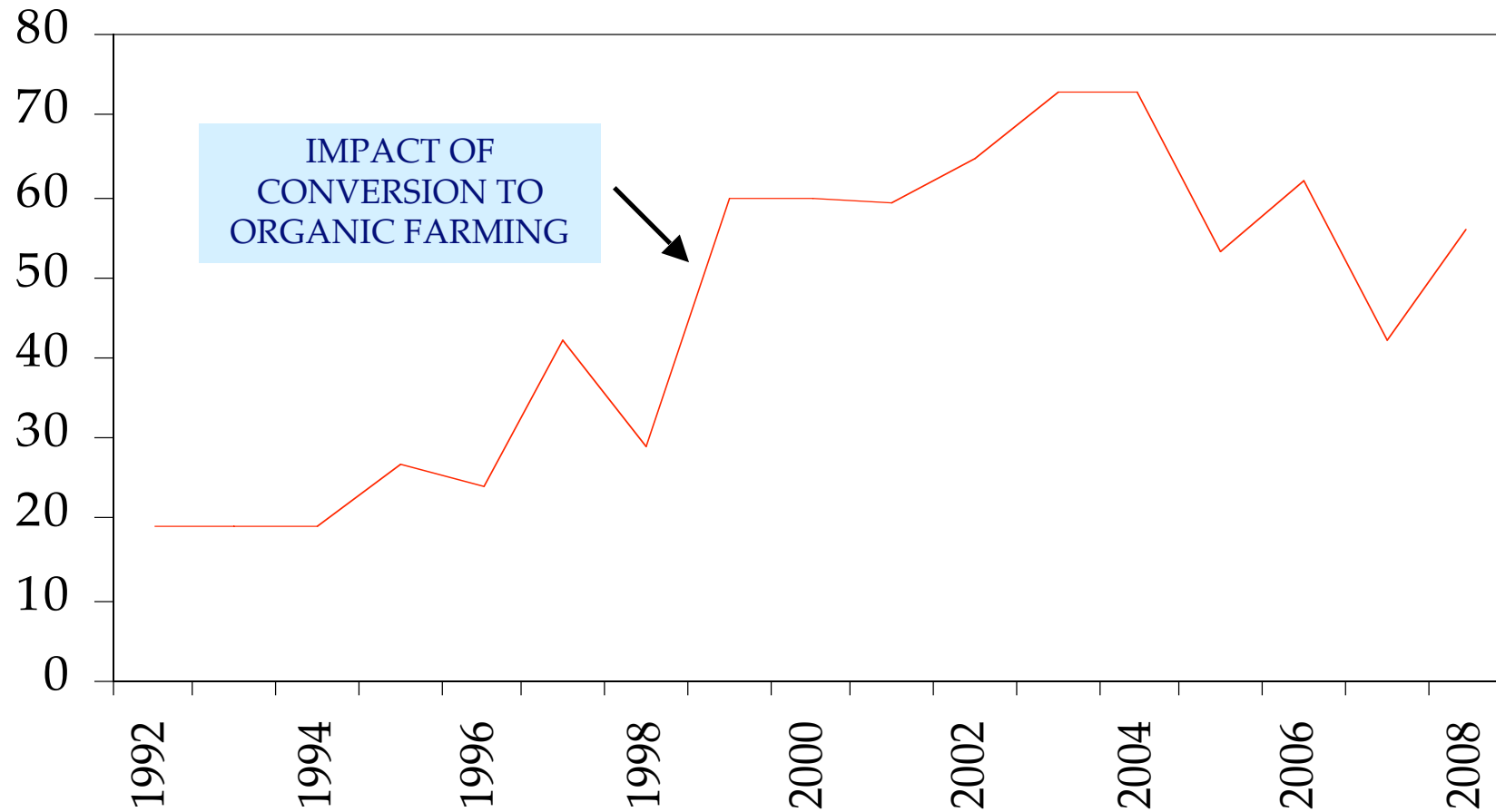
NUMBER OF PAIRS COUNTED 1926 - 2008





COURTYARD FARM BROWN HARES

SPRING SURVEY 1992 - 2008



DATA FOR 1993, 1994, 2000 AND 2004 - NOT AVAILABLE





- climate change and farming
- what if all food and farming was organic?
- GM
- a new food culture for the UK
- is organic food healthier?



The tank on this 250hp Renault Atlas tractor holds 455 litres and costs about £260 to fill up with diesel (June 2008)

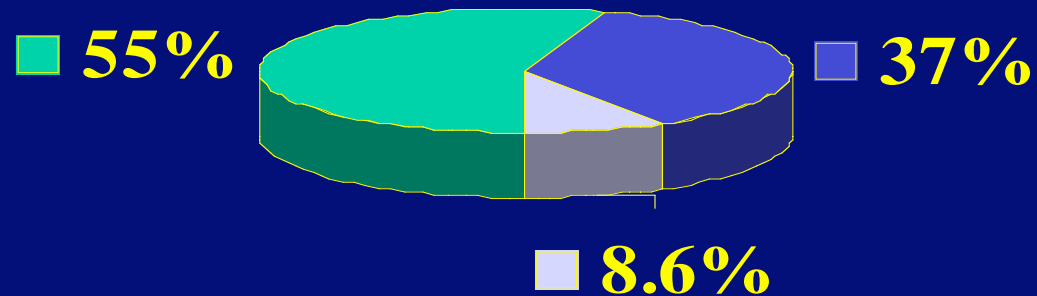


Farming and food's contribution to climate change

- farming and food processing and distribution produce at least 18% of the UK's total greenhouse gas emissions
- as individual consumers, 30% of the greenhouse gas emissions we are responsible for come from the food we buy

What greenhouse gases does farming emit?

Emissions from UK agriculture



■ Nitrous Oxide **■ Methane** **■ CO2**

Farming accounts for around 9% of the UK's emissions - but unlike other industries, CO2 (mainly energy use) makes the smallest contribution

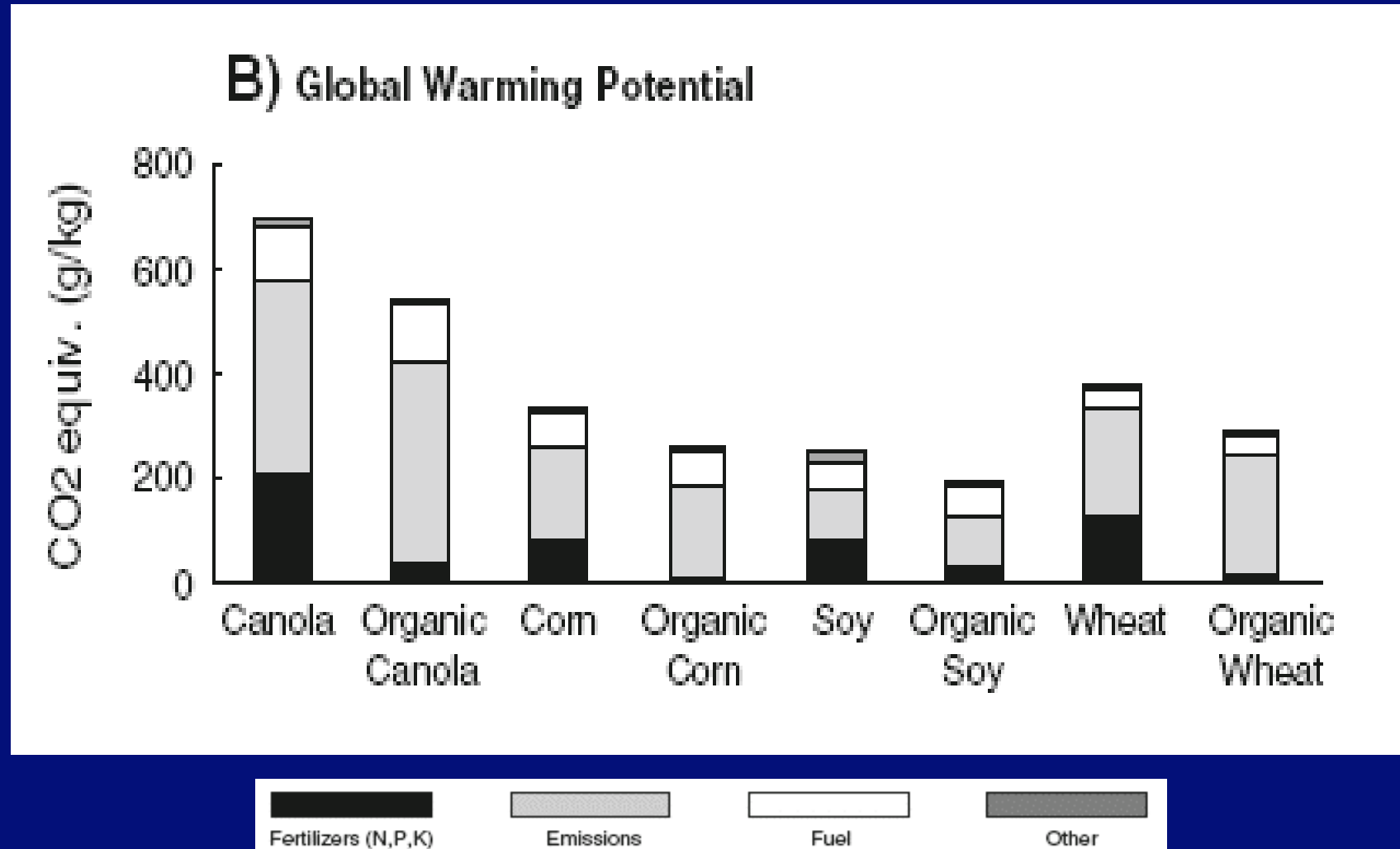


Organic farming and climate change

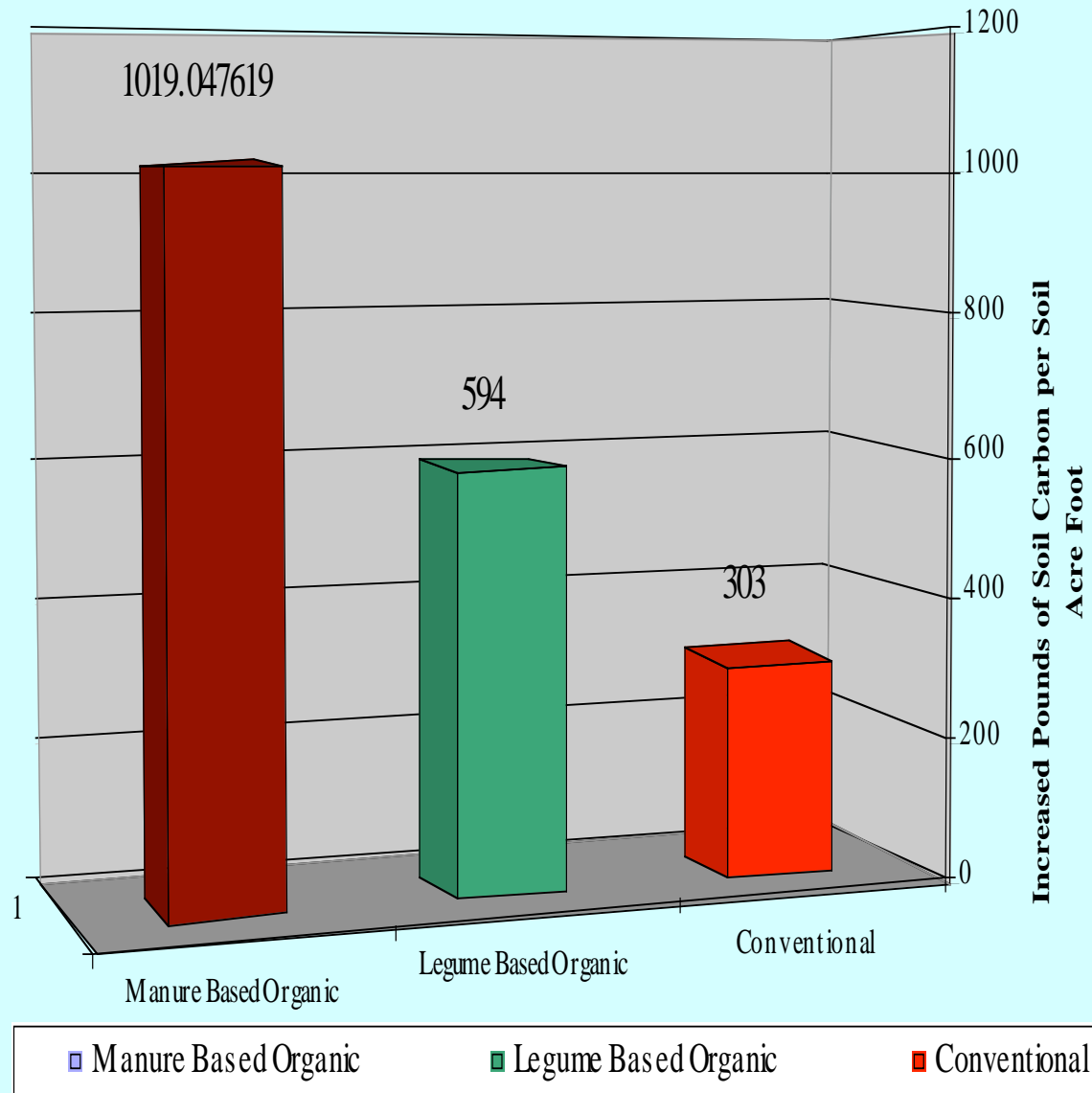
There is scientific evidence that “in many, but not all cases, [organic food] produces fewer greenhouse gases”.

David Miliband, then UK Secretary of State for Environment, Food and Rural Affairs

Cradle to farm gate cumulative greenhouse gas emissions associated with the production of 1 kg of non-organic and organic oil seed rape (canola), maize (corn), soy and wheat in Canada



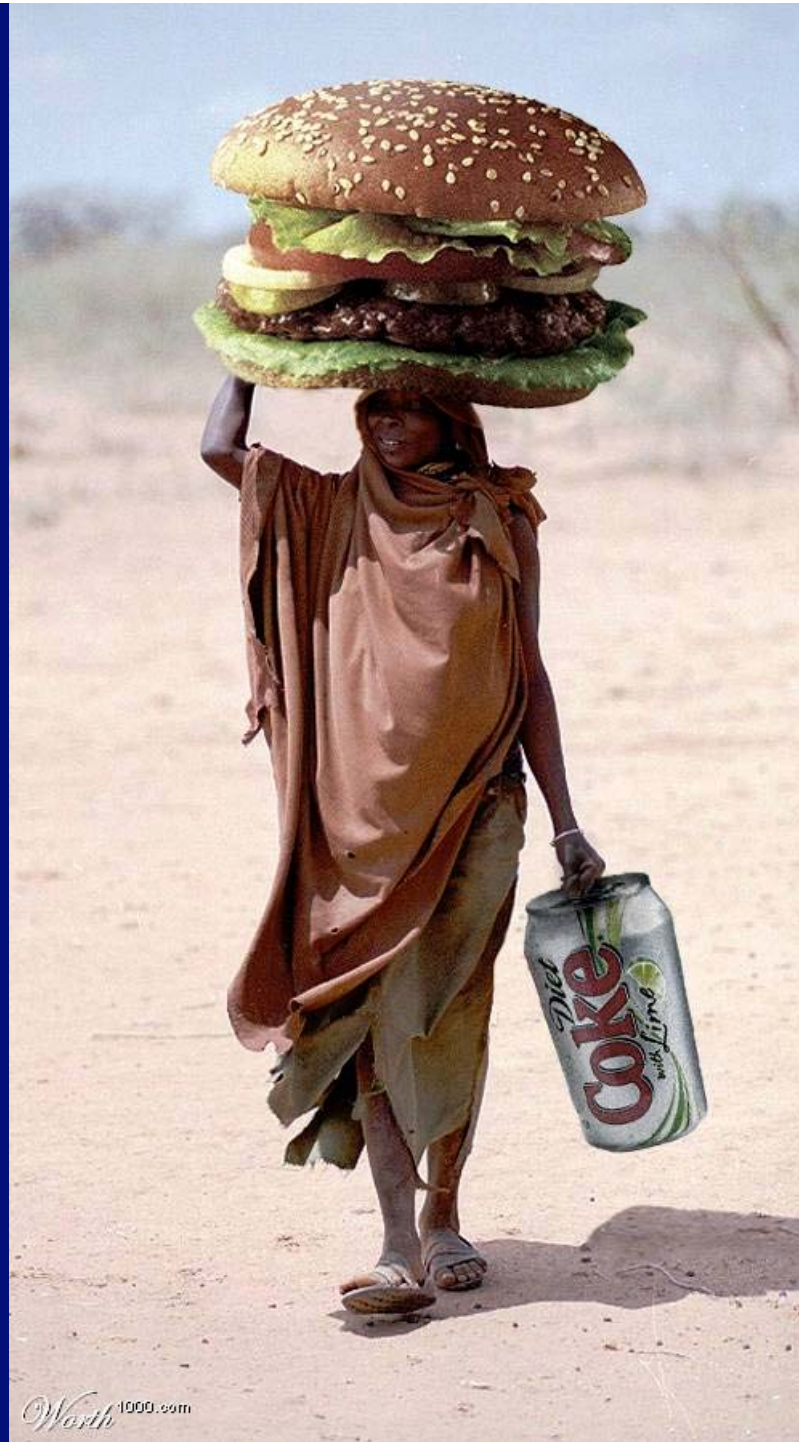
Yearly Accumulation of Soil Carbon in The Rodale Institute's® Farming Systems Trial® in 3 farming systems over 21 years 1981-2002.



Climate friendly food

- available oil and gas is declining
- our survival depends on cutting greenhouse gas emissions
- farming that depends on artificial Nitrogen - turning oil into food - is environmentally and economically unsustainable
- climate-friendly food is seasonal, organic, whenever possible unprocessed whole food, produced and bought locally, with less (but organic) meat and dairy products

What if all food and farming
was organic?



HUNGRY WORLD

Rising food prices dominate news and political agendas. Philip Clarke examines the issues

So worried is the British government about the increasing cost of eating that last week Chancellor Alistair Darling called a special "food summit" in Downing Street to consider the fall-out.

Representatives from the supermarkets, the banking sector and the NFU were in attendance. And, while their discussions were strictly "off the record", it is clear the government is rattled by the effects of rising food prices, both on inflation and on its electability.

Mr Darling has his own solution. As spelt out in the letter he sent to fellow EU finance ministers earlier this month, he blames the CAP and wants to see it scrapped.

"It is unacceptable that, at a time of significant food price inflation, the EU continues to apply very high import tariffs to many agricultural commodities," he said.

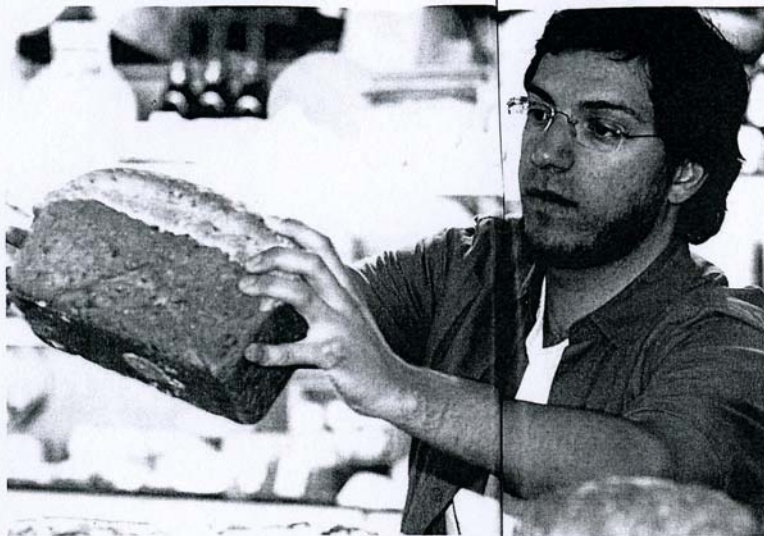
He went on to denounce all ele-

ments of the CAP that kept EU prices above world prices. These should be phased out quickly, as should direct payments to farmers. And there needed to be a close examination of the effects of EU biofuels policy on world food prices.

But the Chancellor's views have been strongly criticised by NFU chief economist Carmen Suarez.

"The content of the letter is both simplistic and misleading, showing a lack of understanding of the realities of the sector," she said in a straight-talking critique. While it was easy to understand the Treasury's interest, "given the importance of inflation as a policy objective", the fact remained that food only accounted for about a fifth of inflation.

The idea that lower farmgate prices would lead to lower retail prices was also "naïve", she suggested. Over the past 20 years, checkout prices had increased by



57%, farmgate prices by just 17%.

As for the Chancellor's recommended policy measures, Ms Suarez was equally condemnatory. Not only would suspending import tariffs have a dramatic impact on EU farmers and landscapes, but it would also hurt the world's poorest countries that have preferential access to EU markets.

His idea to remove all direct payments to EU farmers could also be counter-productive. "The elimination of direct payments would only lead to a sudden contraction of the supply base, resulting in higher prices," said Ms Suarez.

She also believed that Mr Darling was out of touch with his call to phase out EU market support mechanisms. Set-aside had already gone, while milk quotas and export subsidies were also on the way out.

The NFU critique also takes issue with the Chancellor's views that biofuels are a driver of food price inflation. "The impact of food prices has been grossly overplayed, ignoring, for instance, that no rice and very little wheat are used for biofuel production, yet these products are the ones that experienced the most pronounced rises."

Even though one-third of US maize is used for bioethanol, exports of that crop have reached record levels. Biofuels also had a beneficial side-effect in producing by-products for animal feed, and had a key role to play in reducing the cost of transport fuels. philip.clarke@rbi.co.uk

Three-pronged EU response

Even though some agricultural commodity prices are down from the peaks they reached in early 2008, the EU Commission is adamant that strong markets are here to stay. It has developed a "three-pronged" policy response, which will be put to EU heads of state at their summit meeting on 19 June.

Short- and medium-term measures

* The EU will continue to monitor markets closely and press ahead with CAP "health check" measures such as scrapping set-aside and phasing out milk quotas. It will also look into the functioning of the supply chain, and encourage competition among retailers.

Longer-term measures

* The EU will take initiatives to encourage food supply, while promoting sustainability criteria for biofuels, domestic and imported. It will also strengthen agricultural research and keep an "open, but vigilant" approach to GM.

International measures

* The EU will continue to press for a new WTO agreement to open trade, will scale up its contribution to combating world poverty, and target development aid at long-term projects to boost food production.

* Scarcely a day goes by without news of the plight of shoppers at the checkout or, more seriously, undernourished Third world children

WHY WORLD FOOD PRICES ARE HIGH

Structural factors

- * Rapidly growing world population
- * Rising incomes in emerging economies leading to increased demand for meat and dairy
- * Steep rises in energy costs, including fuel and fertiliser (up 350% since 1999)
- * Slowdown in crop yield increases, and climate change
- * New outlets for food crops such as biofuels

Temporary factors

- * Poor harvests in exporting countries in 2006 and 2007
- * Record low levels of world stocks
- * Export restrictions by Argentina, Ukraine and India
- * Weak US dollar

Source: EU Commission

What is causing high food prices?

In his letter to EU finance ministers, Chancellor Alistair Darling concentrates on two main drivers to the unprecedented rise in global food prices – the CAP and biofuels. But the mix of factors is far more complex than that.

Jerrod Kitt, a research analyst with Chicago trade house the Linn Group, says biofuels are just "one small drop in a very large bucket". "The major culprits in food price inflation are higher transport costs, increased world demand and lax government policies," he says.

"Transport is the most dramatic, now accounting for 20 cents in every \$1 spent on food. The energy costs of producing food are up a staggering 150% in four years. With several prominent analysts predicting \$200 a barrel crude oil on the horizon, the pain of food price increases is likely far from over."

Growing demand is also crucial, says Mr Kitt. "Not only is the world's population increasing, the amount of this population that can afford more and better food is also jumping." Meat consumption has more than doubled in India and China since 1980.

Food prices are also being driven by low stock levels. "Consistently low food costs in the early 2000s seduced many governments into giving up large stores of food and grains, which are expensive to store."

"As a result, many countries were totally unprepared when a series of crop failures around the world began to decrease the supply of commodities." The world stocks-to-use ratio is now at just 16%, compared with 34% in 2000.

The EU Commission has also just completed its analysis of the world food crisis, reaching similar conclusions. It also points to the rapid increases in farm input costs such as fertiliser, the slow-down in crop yield increases, export restrictions by exporting countries and the depreciation of the US\$ as reasons behind the food price rise.



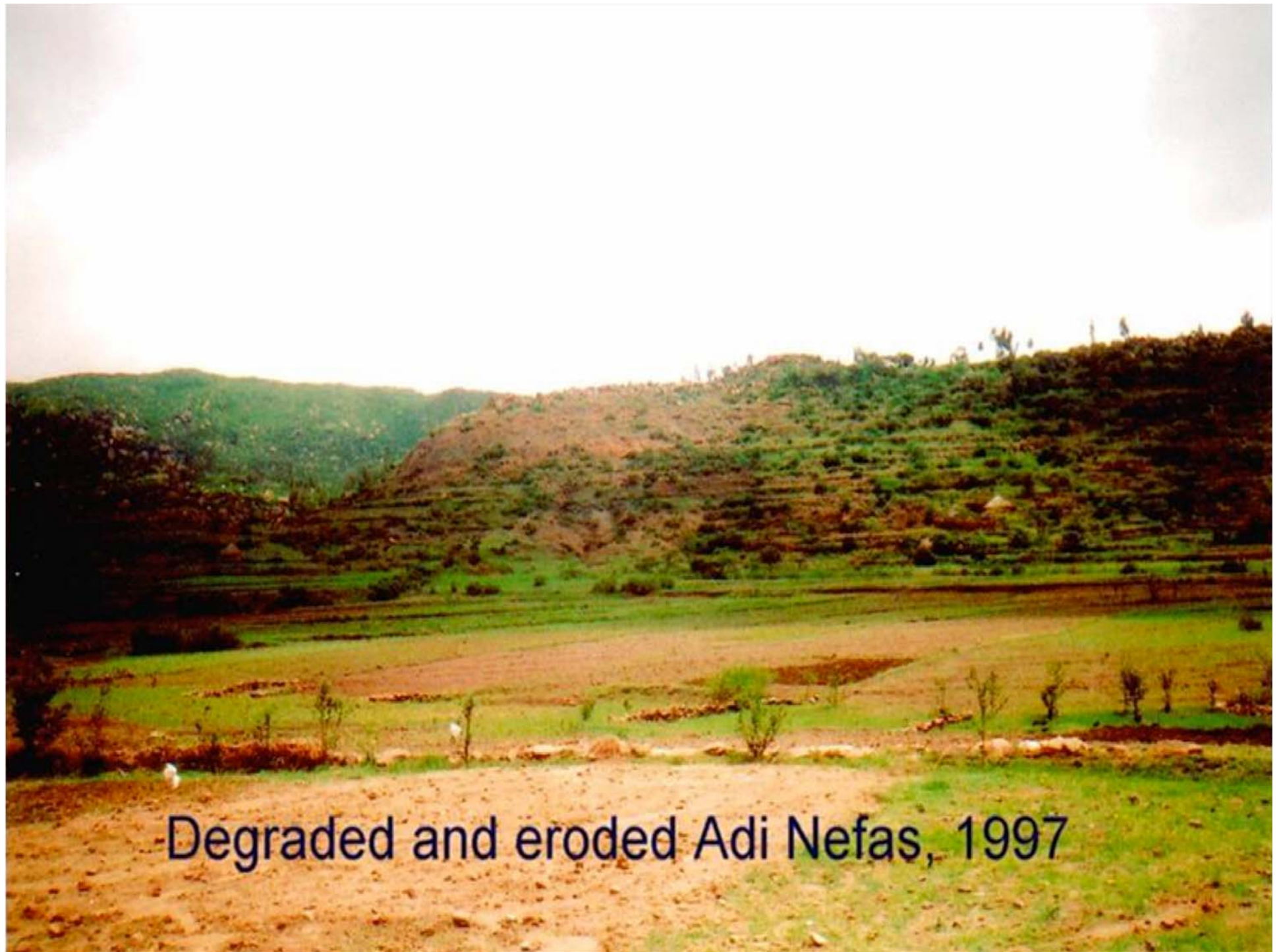
Chicago-based analyst Jerrod Kitt says biofuels are just a "drop in the bucket" compared with other factors that are driving up world food prices.

- \$11 billion spent on subsidies and protective tariffs for biofuels, diverting 100 million tonnes of cereals from human food
- OECD countries distort world markets spending \$372 billion a year subsidising their agriculture
- excess consumption by the world's obese costs \$20 billion annually
- diet-related premature death and related diseases costs \$100 billion annually

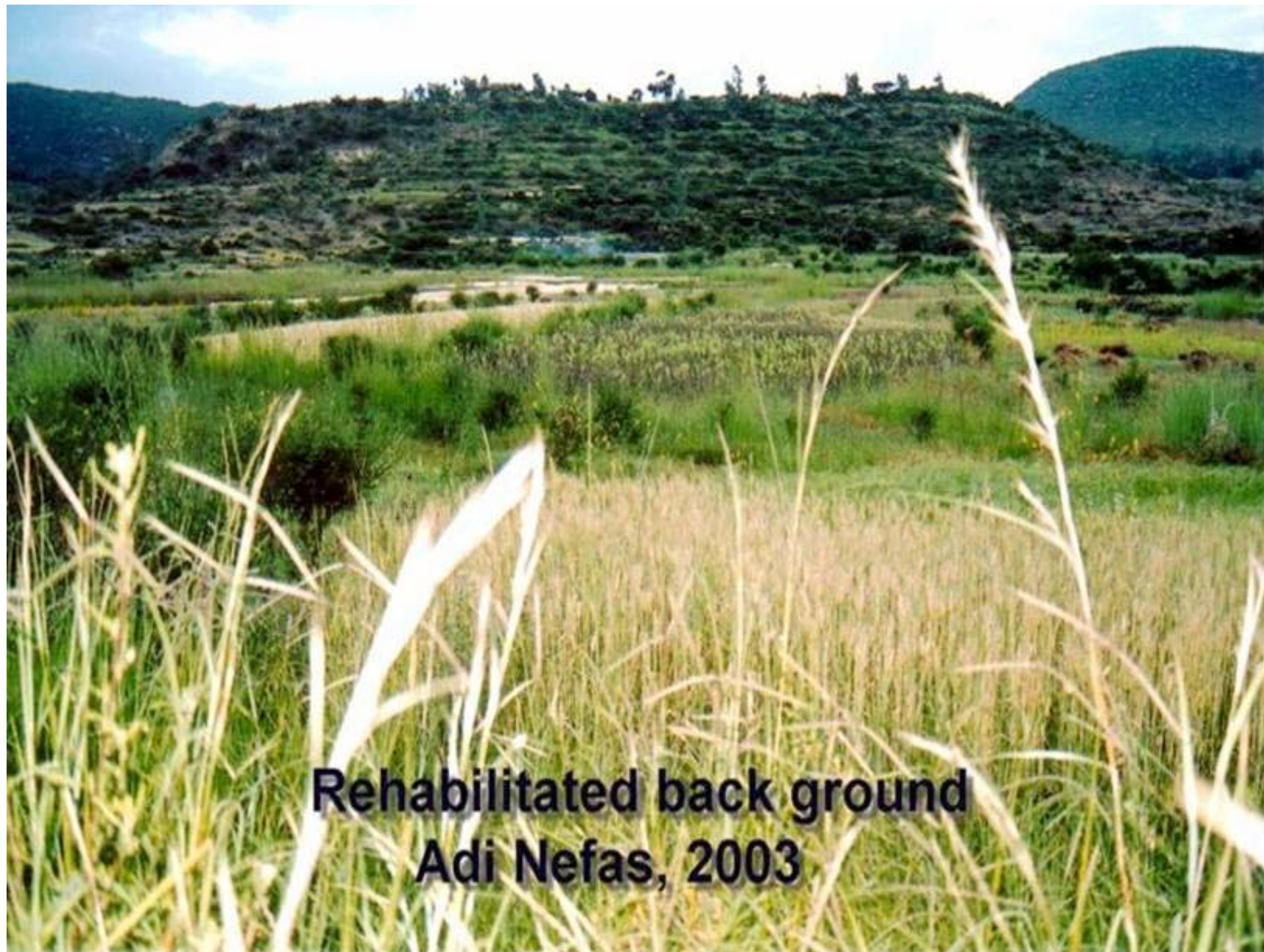
Jacques Diouf, Director General, UN Food and Agriculture Organisation [2006 figures]

- it would cost \$30 billion a year to enable 862 million hungry people to enjoy the most fundamental of human rights, the right to food

Jacques Diouf, Director General, UN Food and Agriculture Organisation [2006 figures]



Degraded and eroded Adi Nefas, 1997



Rehabilitated back ground
Adi Nefas, 2003

- in two recent peer-reviewed studies (2005 and 2006) scientists estimated that if all farming was organic, while there would be a reduction in output in areas like Europe, there would be increases in developing countries
- overall world food production would increase slightly
- organic farming could feed everyone on the planet

No
quick
fixes
with
GM
maize







Our food? All non-GM.

MARKS &
SPENCER

EXCLUSIVELY FOR EVERYONE





“As far as genetic engineering for food, that is the great experiment that has failed. They literally have the entire world market against them. All those dreams... the blind will see, the lame will walk... have turned out to be science fiction....

Andrew Kimbrell, Executive Director of the Center for Food Safety (USA)



“....They are basically chemical companies selling more chemicals. They've been able to spread these herbicide-promoting plants around because it is more convenient for farmers who can just mass-spray their crops. But they've given absolutely nothing to the consumer while causing more chemical pollution and contamination.”

Andrew Kimbrell, Executive Director of the Center for Food Safety (USA)

SUPERMARKET

DON'T WORRY
FARMER GILES,
WE'LL SOON HAVE
GENETICALLY ENGINEERED
CONSUMERS
WHO'LL EAT
THIS STUFF

GENETICALLY
ENGINEERED
PRODUCE

John Wheeler



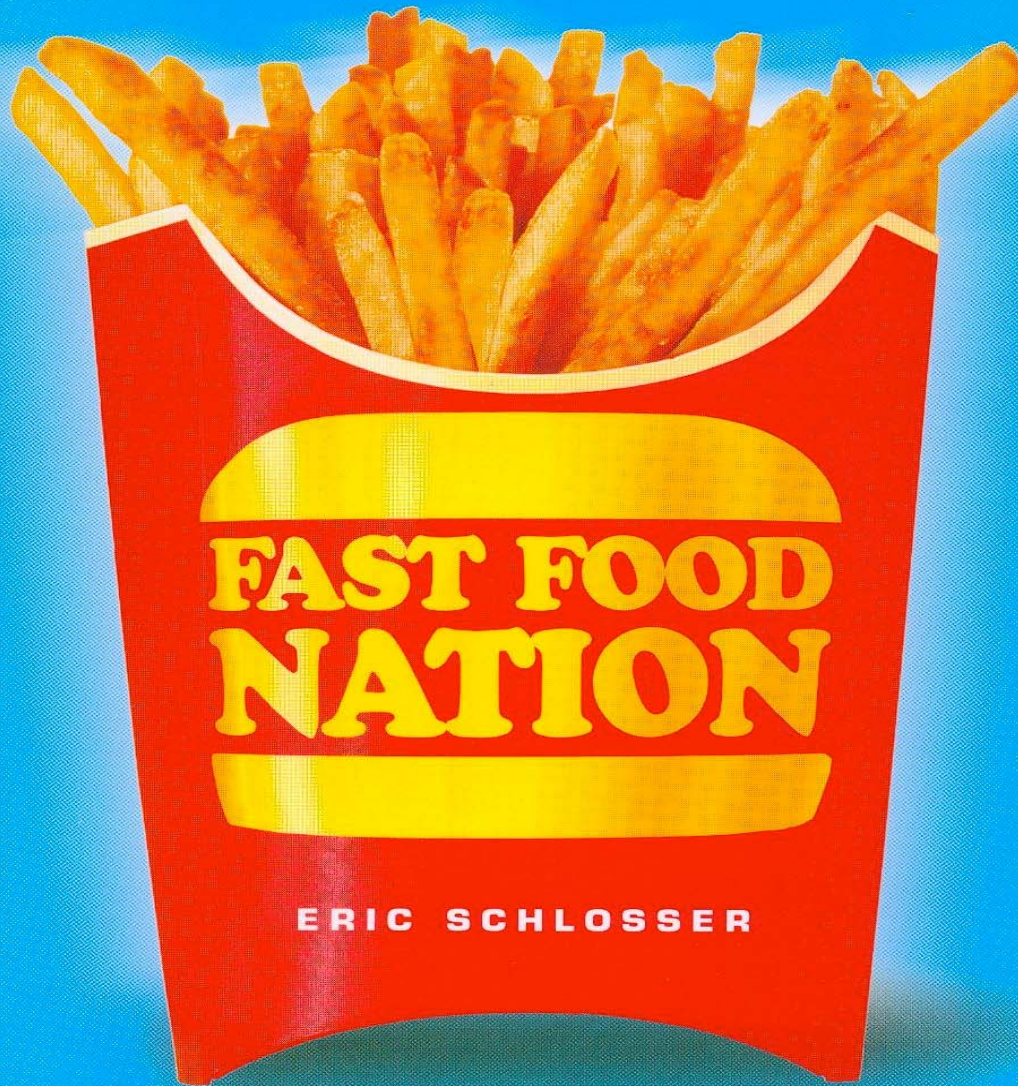
“flood and drought tolerance can be more easily achieved by conventional breeding than by genetic engineering”

Geneticist Dr. Suman Sahai writing in the Bangkok Post in March 2008

THE INTERNATIONAL BESTSELLER

'A shocking exposé ... could make a difference to the way we eat. For ever.'

Evening Standard



What the All-American Meal
is Doing to the World



Omega-3, junk food and the link between violence and what we eat

Research with British and US offenders suggests nutritional deficiencies may play a key role in aggressive behaviour



Felicity Lawrence

Not all experts agree, but if he is right, the consequences are as serious as they could be. The pandemic of violence in western societies may be related to what we eat or fail to eat. Junk food may not only be making us sick, but mad and bad too.

In Demar's case the aggression has blighted many lives. He has attacked his wife. "Once she put my TV out the door, I

with violent records found that those given omega 3 supplements had their anger reduced by one-third, measured by standard scales of hostility and irritability, regardless of whether they were relapsing and drinking again. The bigger trial is nearly complete now and Dell Wright, the nurse administering the pills, has seen startling changes in those on the fish oil



WHAT ARE
YOU GOING
TO BE WHEN
YOU GROW
UP?

DIABETIC



ROBERT THOMPSON











Russell Brock Paediatric Intensive Care Unit
← Nutrition & Dietetics
Thomas Guy House



dragon

Consumer attitudes to Organic 2008

FDIN

14th May 2008



More of this...

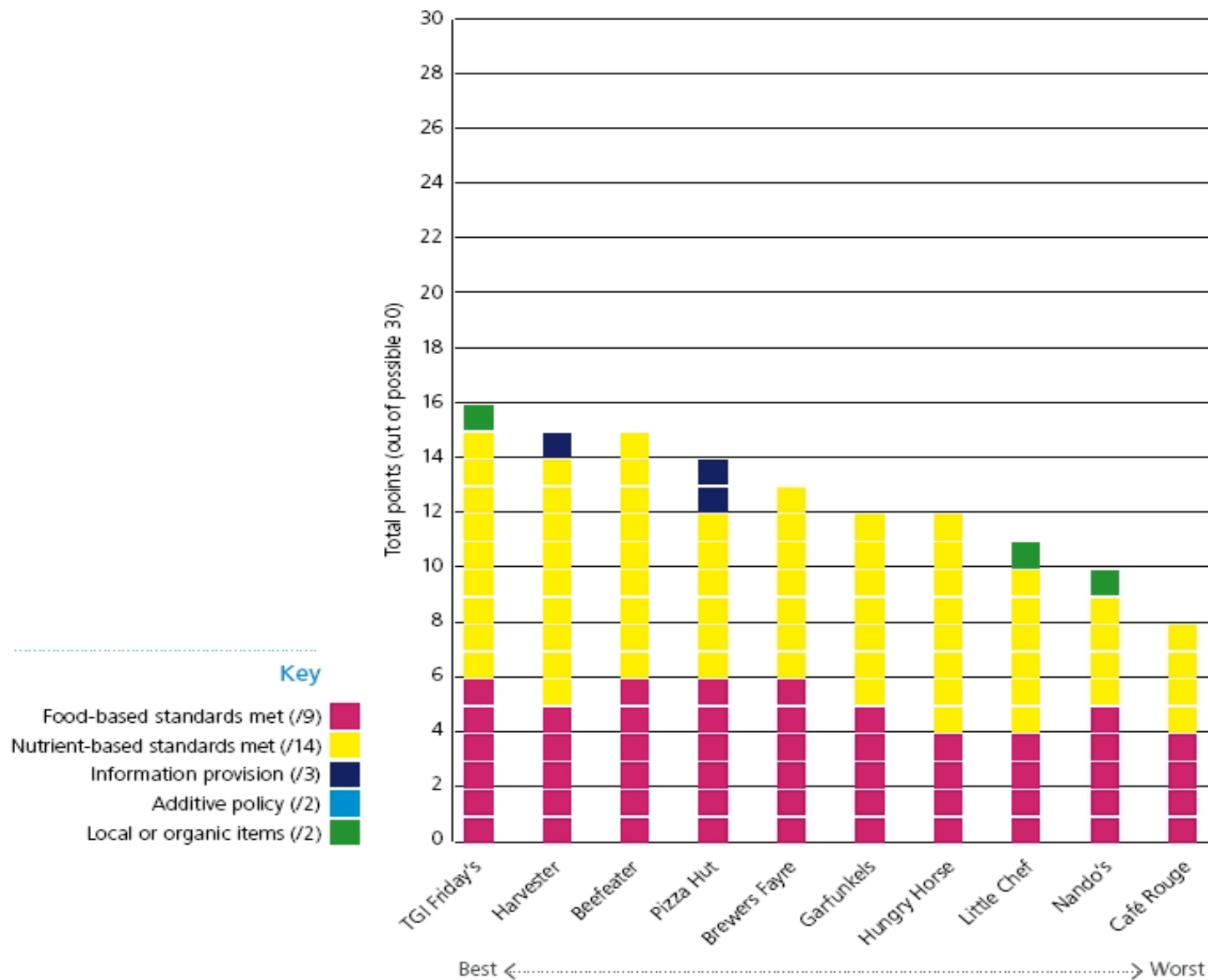
Cornwall Food Program

- Pleasing patients: 92% of patients describe the food as 'very good' or 'excellent'.
- Boosting the local economy: 83% of the Royal Cornwall Hospitals Trust's 2006 food budget was spent with companies based in Cornwall, vs 30% previously.
- Cutting Food Miles: annual food miles were cut by 67%.
- Keeping to budget: all done withing the Royal Cornwall Hospital's budget of £2.50 per day



Great story, multiple benefits.

Figure 1 Restaurant ranking on nutrition, food sourcing, food policy and information provision (out of a possible 30 points)





**About our lovely food and
drink...**

Getting it right

Lunch boxes



Case study three

What do IKEA, London Zoo and the Natural History Museum have in common? A children's organic lunch or snack box.

A shopping trip to one of IKEA's UK stores has become a popular family day out in the UK, and IKEA restaurants serve 13 million meals a year. The company now provides a kid's snackbox, and has set about incorporating organic products to maximise parental peace of mind. Already the snackbox contains an organic mini raisin box, fruit bar and puff snacks, and a pot of organic yoghurt, as well as a free piece of fruit. At the Natural History Museum children can tuck into an organic lunch box containing

a freshly made sandwich, healthy snack bar and a piece of fresh fruit – along with a toy dinosaur! The Museum also sells a range of pure organic juices. London Zoo has a similar lunch box – albeit with no fresh fruit – and offers a range of other organic and fair trade options.



children's menu

Please ensure that children are sitting in an area designated for family dining.
Menu is suitable for children aged 10 and under.

Choose any children's main meal and a drink**, £2.99
Includes a **FREE** bag of fresh fruit 🍏 and an activity pack.

NEW ORGANIC Spaghetti Bolognese 🍷🍏🍏

J D Wetherspoon will be donating 10p (per spaghetti Bolognese meal sold) to the CLIC Sargent charity. Over £1.5 million raised to date.

Fish fingers 🍷🍏

With chips **or** mashed potato **and** peas 🍏🍏 **or** baked beans. 🍏

Chicken breast nuggets 🍷🍏

With chips **or** mashed potato **and** peas 🍏🍏 **or** baked beans. 🍏

NEW ORGANIC Cheesy pasta ✓ 🍏

With peas 🍏🍏 **or** baked beans. 🍏

Sausages and mash

With peas 🍏🍏 **or** baked beans.

NEW ORGANIC Cottage pie 🍷🍏🍏

With peas 🍏🍏 **or** baked beans. 🍏

CLIC Sargent J D Wetherspoon supports
the charity CLIC Sargent.



Organic cottage pie



Fruit bag

ALL ORGANIC
Telephone: 07771 7

Calum & Vai Buchanan

Wester
Lawrenceton
Farm

WESTER LAWRENCETON FARM
HAND-MADE
ORGANIC CHEESES





"You may not feel any healthier right away but you'll definitely feel more smug."

Organic milk

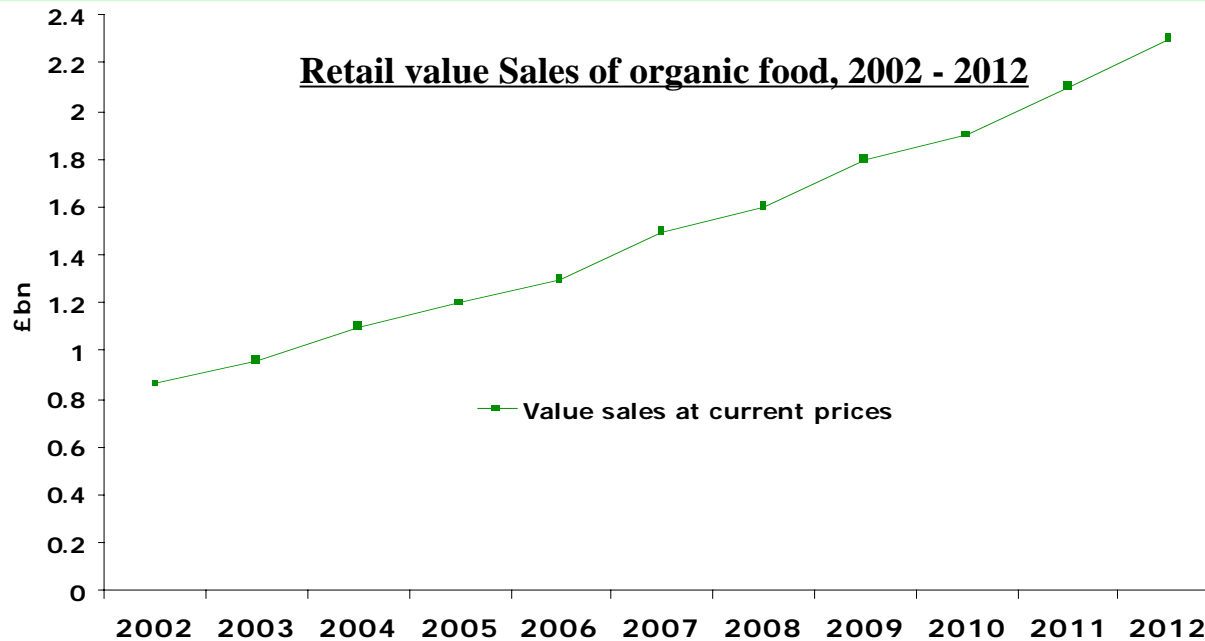
- the Food Standards Agency has recognised the mounting body of evidence that organic milk has a different nutrient profile than non-organic milk, and advice to this effect is now included on the FSA's website
- higher levels of Vitamin E, beta-carotene (Vitamin A precursor) and short-chain omega-3 fatty acids than conventional milk

Organic milk

- Dutch Government funded research published this year shows that incidence of eczema in infants fed on organic dairy products and whose mothers also consumed organic dairy products have 36% less eczema than children who consume non-organic dairy products
- this is the first example of a definite health impact of organic food consumption being published in a peer reviewed journal

Forecast

Mintel forecasts that the UK organic food market will soar past the £2bn mark.....

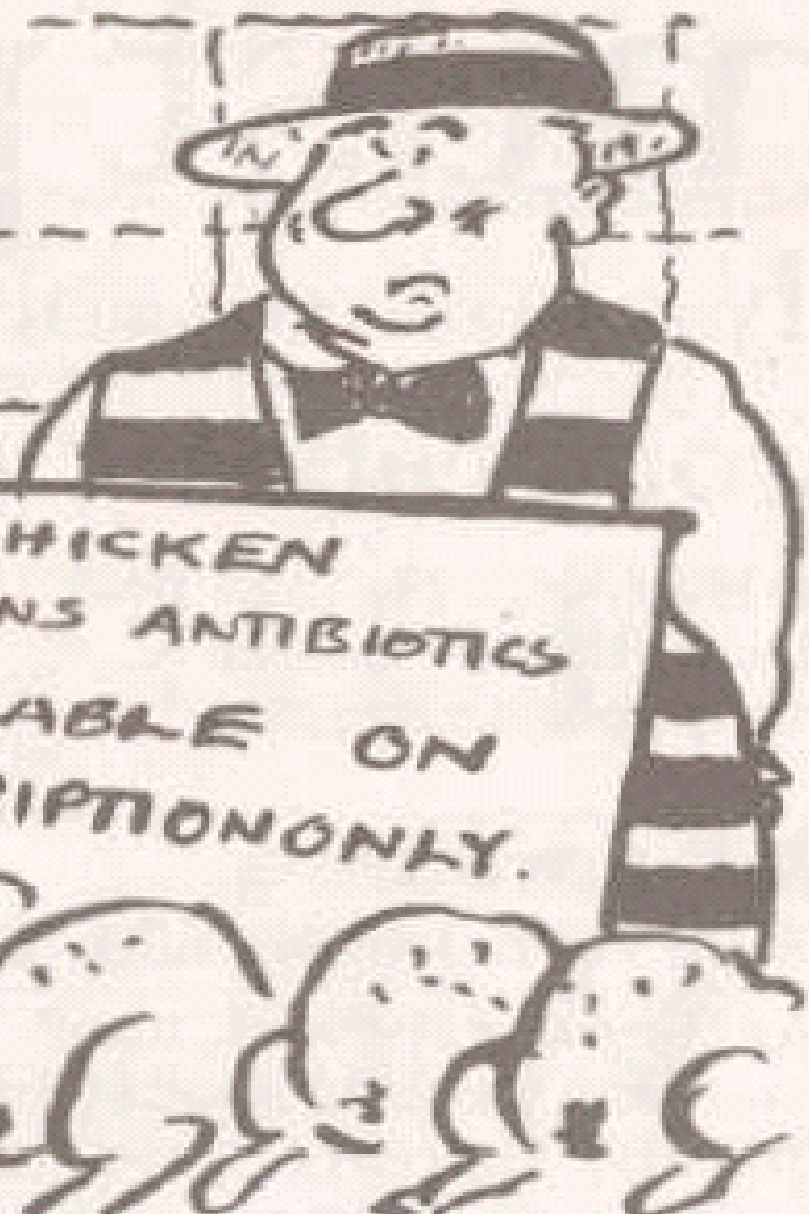


Source:Mintel

- ❖ Its ready association with health will keep the market growing
- ❖ Organics will dovetail with the premiumisation trend
- ❖ Growing environmental concerns, especially climate change, will come to the fore
- ❖ Scientific back up of nutritional claims (*University of Newcastle, October 2007*) will boost the market, and possibly ignite active government promotion of organic produce

Austin

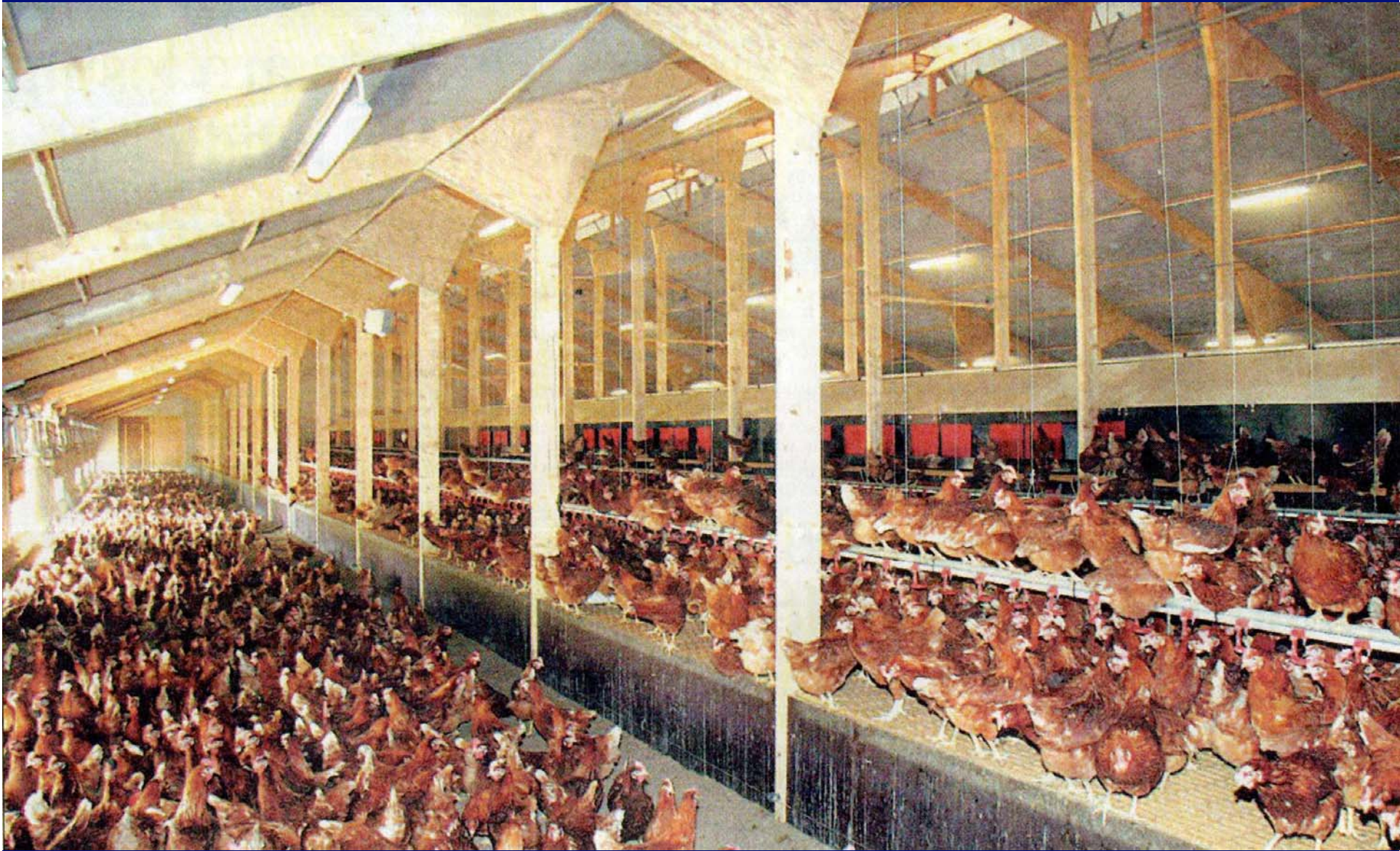
POULTRY
DEPARTMENT



CHICKEN
CONTAINS ANTIBIOTICS
AVAILABLE ON
PRESCRIPTION ONLY.



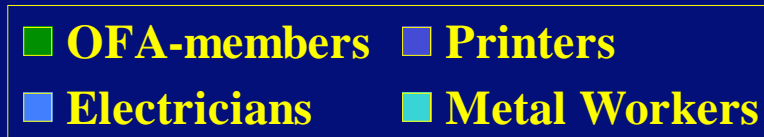
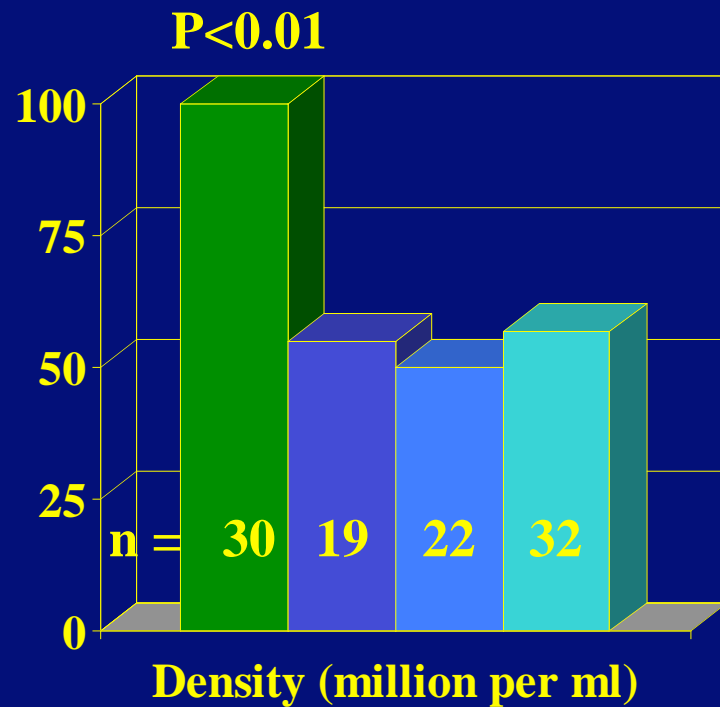






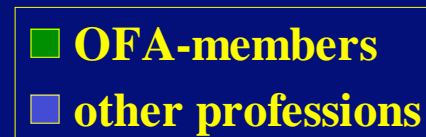
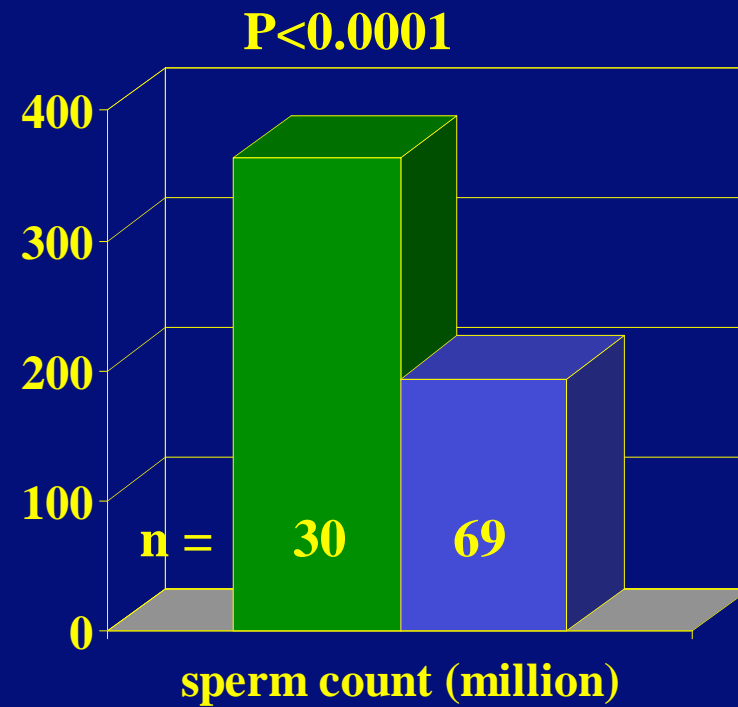
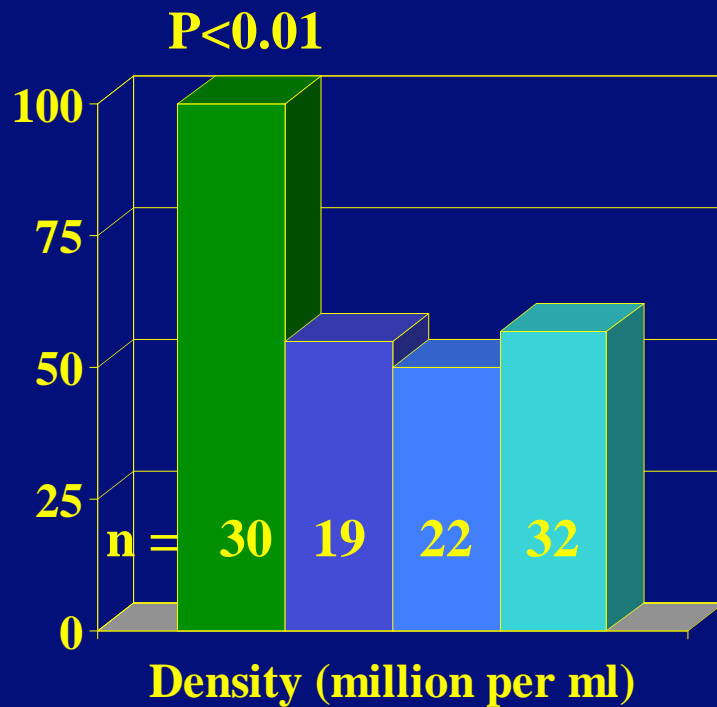


Sperm density in members of the Danish Organic Farmers association and workers from 3 other occupational groups



(Abell et al. 1994 The Lancet 343, 1498)

Sperm density and abstinence adjusted mean sperm count in members of the Danish Organic Farmers association and workers from 3 other occupational groups



(Abell et al. 1994 The Lancet 343, 1498)