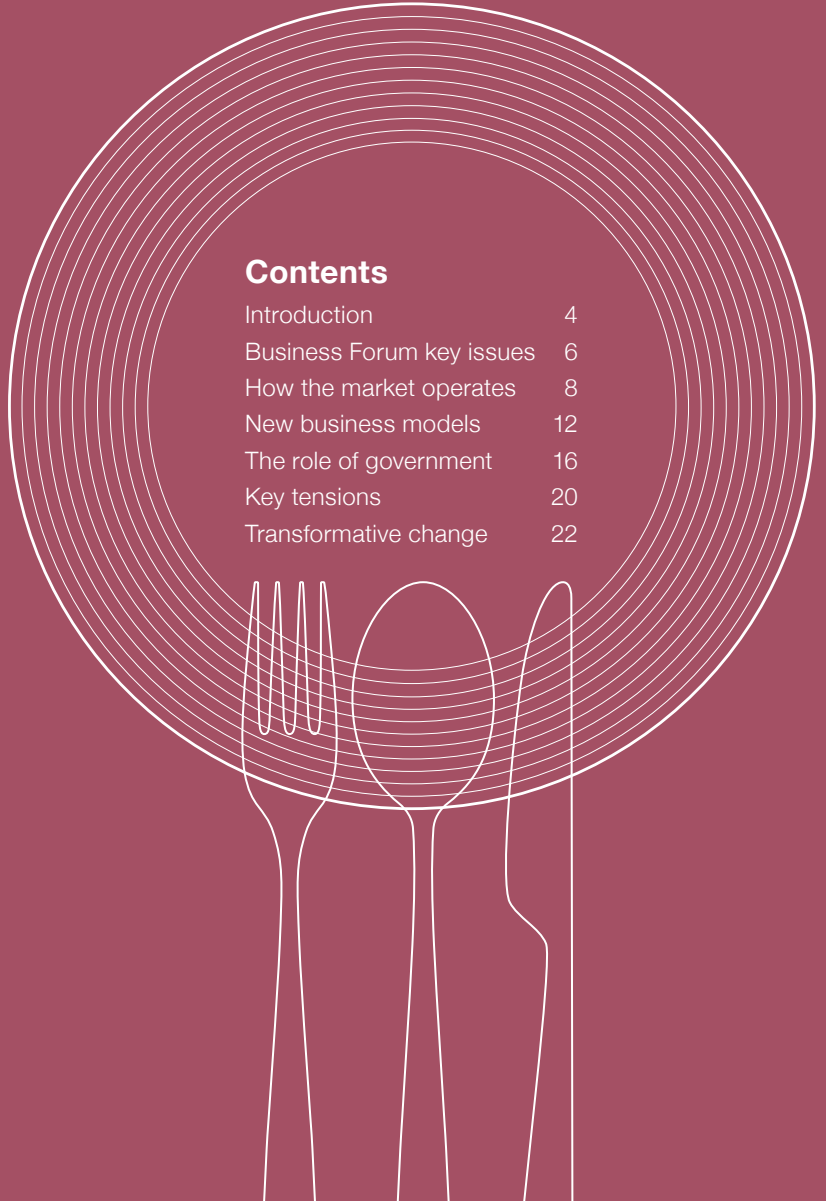


Food: all things considered

Insights and opportunities from
the first 50 Business Forums





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Welcome

For all of us, in whatever situation, doing the right thing from everyone's perspective can seem like an impossible challenge. Whether we're acting as an individual, representing a business or NGO, or developing policy, we're constantly prioritising our objectives and values, weighing the trade-offs, feeling inadequate and inadequately informed.

I remember sitting on the Policy Commission on the Future of Food and Farming in 2001/2. Widely heralded as a successful initiative, I came away from the process profoundly depressed. There seemed to be as much chance of finding a way forward for ethical food businesses, as getting the proverbial camel through the eye of a needle. Having spent the last 30 years trying to run such a business myself, I am very aware that there are no magic wands.

Yet many keep trying, and some are making progress. Little of it is what might be termed transformative, and all of it is partial, but at least there is now a band of progressive people and businesses who want to be in it for good. Over the last eight years, a number of them have gathered around the Food Ethics Council dinner table to learn and share, and for me, these evenings have provided some of the most stimulating discussions that I have ever been involved in.

The same issues do emerge almost regardless of the subject. The intense price competitiveness of the food sector, in which government has always been complicit for understandable reasons. The difficulties inherent in attaching value to the social and natural capital that is co-dependent with our food system. The downside of competition law, and the intrinsic aversion in farming businesses to cooperation. The pressures that public companies face from short term shareholder needs. The power imbalances in the food system.

But despite the fact that we often bang our heads on the same supersized challenges, there are businesses making progress, maintaining their commercial impetus while tackling at least some of the ethical issues that their customers are increasingly alive to. Over a communal meal these stories have come to life, in a spirit of enquiry and common purpose. With intelligent and lively debate we have learned from each other and our speakers.

The conclusions are rarely 'tidy', but I think we all go away with some new perspectives that inform our own thinking and those of our businesses. The space created around the table allows us to take from the discussion ideas that we can apply to our own situation.

Fifty Business Forum dinners is a milestone that allows us to reflect on the changes that have taken place over eight years, and to celebrate the determination, integrity and good humour of the individuals who have explored with us on behalf of their companies, the question 'what should I do, all things considered?' It has been, and I hope will remain, hugely stimulating, and importantly, great fun too.



Helen Browning OBE
Chair of the Food Ethics Council

Introduction

In June 2007, when the Food Ethics Council hosted our first ever Business Forum dinner for senior food business leaders, the world was a very different place.

We could not have predicted, as we sat down to a delicious dinner, the seismic shifts in geopolitics that were to happen in the following eight years. A food crisis was just about to hit the Global South. Erratic harvests, exacerbated by freak weather events such as drought and heavy rain, combined with unrestricted speculation on food commodities, drove prices up to unprecedented levels.

Hunger stalked the world, causing food riots, threatening democracies. Hot on the heels of these price rises came a global financial crisis, which saw even more people pushed into food poverty – including in the Global North.

In the UK in 2007 the Sustainable Development Commission (SDC), a quasi-independent body set up by the Labour Government in 2000, was working to hold government to account to ensure the needs of society, the economy and the environment were properly balanced in the decisions it made. The government itself was working on a sustainable food plan: *Food Matters: Towards a strategy for the 21st Century*.¹

In 2010 the UK's first coalition government in 36 years came to power on a promise to cut the UK's fiscal deficit. Amongst the tough decisions it took as part of the 'bonfire of the quangos', the SDC was abolished, alongside the Agricultural Wages Board. The Food Standards Agency's remit was restricted. Food Matters was mothballed.

More recently food scandals driven by a desire to drive down costs and increase profit have hit the supermarket shelves – 'horsegate' being one notable example. On top of this political and economic turmoil international organisations including the World Bank and the UN told us about the 'perfect storm' of climate change, resource constraint and population growth. These three factors, they warned, will undeniably place great strains on society and on the businesses that operate within it.

All these crises – current and future – must be faced. It's no longer feasible for politicians, businesses and citizens to bury their heads in the sand and carry on regardless. Instead, what's needed is to meet these difficult issues face on; the strength to rise to the challenge and create new business models and new food systems that are fit for a new world.

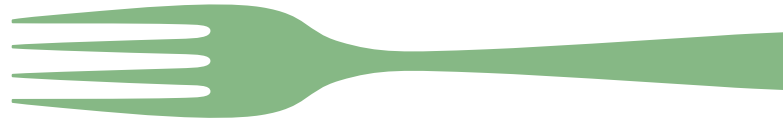
In our 2013 *Beyond Business As Usual*² report we found that the growing consensus that change has to happen has not been translated into the transformative policy and practice that is urgently required. And yet across the 50 Business Forums we have held since June 2007, we have heard from business leaders and policy experts that this kind of transformative change *is* possible, and that it *is* beginning to take shape.

In this report we look back at those Business Forums and evaluate the growing appetite for change, what it might look like, and the barriers to widespread adoption. At our very first Business Forum, a group of senior food business executives explored an ethical issue that they'd been grappling with for some time – food miles, labels and metrics.

Even then there seemed to be an emerging narrative amongst retailers and food businesses that their customers were interested in knowing where their food comes from, and wanted some kind of assurance that it was 'sustainable'. Over the subsequent eight years this issue has been revisited many times, in many forms. Getting people reconnected to their food; bringing the majority of food businesses up to the standards of the progressive few: preoccupations that haven't gone away.

Notwithstanding that prices at the checkout are, at the time of writing, relatively low, our Business Forums asked 'has the era of cheap food ended'? If so, what would that mean for the prevailing food business model? What responsibility do businesses have to tackle food insecurity in the areas of the world they operate in?

Closely linked to climate change and resource constraint, food insecurity remains high on the agenda for Business Forum attendees to this day. How to pursue growth in the



face of diminishing resources, or in regions where climate change threatens both environmental and political stability? Guest speakers tackled these questions and more as the debate about creating sustainable food systems slowly but surely crept up the political agenda. This has been helped by a number of flagship reports over the course of the past eight years.

In 2008 the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD)³ concluded that business as usual is not an option when it comes to soil, food and people. It found that the incentives for science to address the issues that matter are weak and that institutional, economic and legal frameworks that combine productivity with the protection and conservation of natural resources are needed.

The report was authored by 400 agricultural experts from across the world, and signed by 58 countries, including the UK. It asked governments to reform the system by putting sustainability and social justice at the heart of research institutions and the way research into agriculture was conducted. Business Forum members heard from Professor Bob Watson, who was responsible for leading the IAASTD. Participants discussed how innovation in agriculture can help to develop sustainable food systems.

In January 2011 the much anticipated UK Government's Foresight report on the future of food and farming⁴ was published. A bold report (by government standards) it decreed that nothing less than a transformation of our food system was needed. Our Business Forum meetings reflected this new focus on 'transformational change' of an apparently 'dysfunctional' food system. Is it possible to put a true price on food without making it unaffordable to the vast majority of people? What fundamental changes need to be made in society to tackle food poverty? Where does the balance of power lie within the supply chain, and how can it be made fair?

These difficult questions reflect some of the discussions around ethical trends and dilemmas that senior executives in food businesses face. It's testament to their commitment to

a more sustainable food system that some at least are willing to tackle them. So often issues such as these are labelled as 'intractable' or 'too complex', and left on the shelf, when in fact it's crucial that they are examined and discussed.

The hardest thing to do as a human being is to put yourself in others' shoes. Our Business Forums give people the opportunity to do just that. We provide a safe space for progressive food business leaders to unpick the ethical issues embedded in food systems. What's good for the goose isn't always good for the gander, and our speakers often challenge business leaders to listen to the voices they don't often hear – the perspectives of our ecosystems; our animals; the world's smallholder farmers.

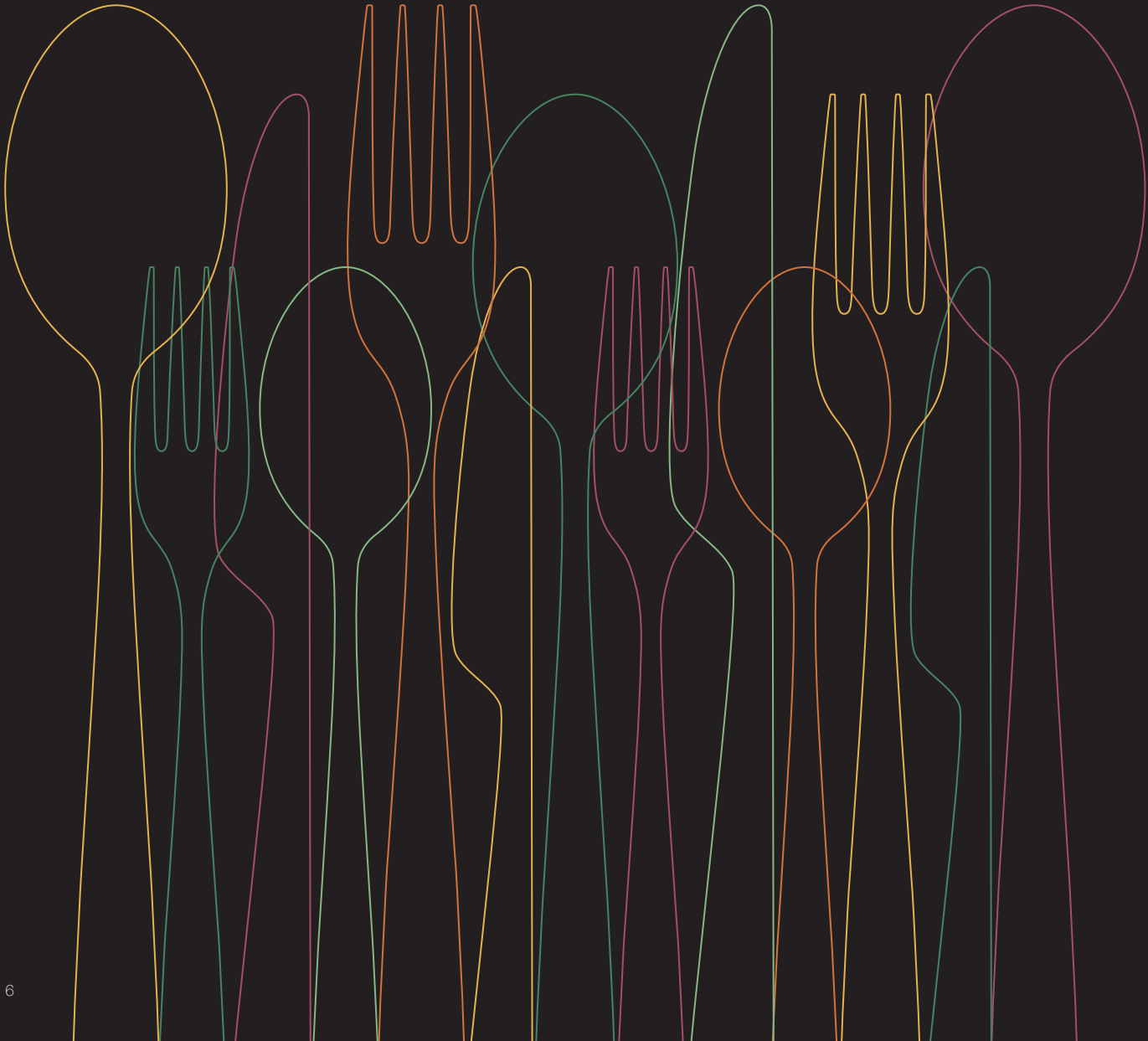
In our analysis, there are three key ways in which that transformation can be created – a radical shake-up of how the market operates; the adoption of completely new business models; and a strengthening of government commitment to long term food policy that supports and underpins all the other changes we believe are necessary.

We've set this report out to reflect that analysis. Within those three broad areas we've also looked in detail at what's holding us back (constraining) from achieving change; how we can build on positive foundations already in place (enabling); and where do we need to take a leap of faith towards a wholly new way of doing things (transformations needed).

As part of this, we have asked a small number of food and farming experts – all of whom have contributed to Business Forum dinners – their views on the challenges facing the food system, and some of the potential solutions.

And running through the report is the assumption that transformational change requires equally transformational thinking. Squaring up to the inequalities in our food systems is never going to be easy, but there are some brave business leaders – some of whom are members of our our Business Forum – already tackling them. We share their optimism for the future, and their desire to bring the rest of the food industry along for the journey.

Key issues covered in our Business Forums



SUSTAINABLE INTENSIFICATION

ENVIRONMENTAL DAMAGE

URBAN AGRICULTURE

BIODIVERSITY

AGROECOLOGY

DEREGULATION

DOUBLING PRODUCTION

FOOD SECURITY

ECONOMIC EQUALITY

AGRICULTURAL INNOVATION

SUSTAINABILITY

JOINED UP FOOD POLICY

REGULATION

CLIMATE CHANGE

COLLABORATION

RECONNECTING

FOOD AFFORDABILITY

GROWTH

INDUSTRIALISED FOOD

TRUE COST OF FOOD

HOW THE MARKET OPERATES

REDISTRIBUTION

DECARBONISATION

VALUES OR VALUE

ECOSYSTEMS SERVICES

ENVIRONMENTAL IMPACTS

PERFECT STORM

THE ROLE OF GOVERNMENT

DIABETES

OBESITY

PUBLIC HEALTH

WELFARE REFORMS

FOOD SAFETY

WORK-LIFE BALANCE

DEMOCRACY

MEAT

CROSS-CUTTING ISSUES

LEADERSHIP

ANIMAL WELFARE

TRUST

LABELS

POWER IN THE FOOD SYSTEM

ETHICAL WORKING PRACTICES

FAIR TRADE

BUSINESS CASE FOR SUSTAINABILITY

FAIR INVESTMENT

FOOD PRICES

NATURAL RESOURCES

GHG EMISSIONS

WATER SCARCITY

INTERNALISING EXTERNALITIES

REDUCING HUNGER

FOOD POVERTY

HEALTH CLAIMS

RISK & INNOVATION

HEALTHY EATING

BEHAVIOUR CHANGE

TELLING PEOPLE WHAT TO EAT

'LESS BUT BETTER' MEAT

STANDARDS

NEW BUSINESS MODELS

CHOICE EDITING

CONSUMER CHOICE

SUPPLY CHAINS

SUPPLY CHAIN RESPONSIBILITY

WATER STEWARDSHIP

FOOD WASTE

How the market operates

Businesses in the UK – and indeed across the world – operate within a global economy that is predicated on the ‘growth’ model of increasing GDP above all other goals. This has been the prevailing financial model for over a century, and some are asking whether it is still fit for purpose.

Constraining

The market is operating in several ways that are constraining food businesses from transformational change. In this fiscal environment it’s arguably big businesses that are most constrained – forced to prioritise profit over every other issue. Smaller companies, more agile and not hitched to the merry-go-round of quarterly reporting to shareholders, can sometimes be more creative about measures of success.

Simply getting more people to buy more and more products so the company can make more money is not a sustainable option. Food businesses rely on nature’s resources, which are drying up. Agriculture uses almost all available abstracted fresh water. The world’s soils are slowly and surely becoming less fertile. Mined phosphate supplies are running out. Climate change is playing havoc with growing conditions: extreme weather such as flooding and drought are already badly affecting harvests. All these changes are also affecting the very social fabric which binds communities.

So the big question on the minds of progressive food businesses is ‘how can we work within these planetary boundaries, add social value, and still create a profitable business?’ And the most progressive food businesses are asking what the definition of profit should be.

It’s clear that the market mechanisms which drive the quest for profit above all else create the conditions whereby food prices fail to reflect their full social and environmental costs. This is an issue that has come up time and again in our Business Forum meetings. Just as the pursuit of profit alone is a barrier to creating a sustainable food system, so is failure to reflect the true costs of food. But working out how to incorporate them is proving to be tricky. Businesses and government alike are wrestling with the seemingly intractable tension between providing affordable food and paying a ‘true’ price for it.

For much of the twentieth century cheap food ruled the day. This trend was built on cheap – or free – labour, water and energy. But it seems very likely that climate change, resource constraints and population growth mean the end of the era of ‘cheap food’.

Current UK food price trends, influenced by historically low interest rates and recent dips in commodity and energy prices, are helping make food affordable in the short term. However, due to the ‘perfect storm’ across the globe the 21st century is likely to be marked by an inexorable rise in the cost of food, and in other basic needs such as energy. As such, one question we must address is how can we ensure that the most vulnerable in society have access to healthy and affordable food?

Enabling

And yet, despite these problems with the way the market operates, there are some businesses working within the current system to create positive change. How market mechanisms can be used to ensure the affordability of healthy and nourishing food is a challenging issue that has been discussed at many of our Business Forum meetings.

Some progressive companies have opted to use ‘choice editing’ as a way of redressing the balance of affordability and sustainability. Restricting choice in some product lines so that they are affordable, healthy and sustainable can work. It’s already been done by some retailers for certain lines – often associated with only offering fair trade products such as coffee and bananas. But this can have unintended consequences, particularly for small scale producers.

For example, Walmart consolidated its fair trade supply chain, concentrating on a smaller number of producers so it could more easily monitor standards. This resulted in fewer Fairtrade

Julian Oram

Land Campaign Leader, Global Witness

Looking at food markets in today's hyper-globalised world brings to mind the famous quote from Mahatma Gandhi: "There is sufficiency in the world for man's need, but not for man's greed."

Enough crops are harvested each year to comfortably feed every person on the planet. Global per capita food availability has risen from about 2,220 calories per person per day in the early 1960s, to 2,790 calories in 2008. Yet only 55% of the world's crop calories are currently used to feed people directly. The rest is used to produce feedstock, fuel and fibre. The protracted tragedy of hunger – mirrored by diet-related public health crises in rich countries – arises therefore not due to insufficient production, but rather from the misallocation and mismanagement of food and natural resources.

So how can companies help reorient food markets to serve need over greed? I would suggest two complementary steps.

First, companies can refrain from peddling false solutions. There is a dismaying tendency amongst agribusiness to characterise chronic hunger as a consequence of low farm

productivity; thereby presenting their products as solutions (e.g. new 'miracle seed' to boost yields). Such propaganda is disingenuous, and risks diverting financial and political attention from crucial measures to correct market failures.

Second, companies can focus on fairness, sustainability and quality within their supply chains. Food and beverage companies should work with their suppliers to create better quality food – produced to higher environmental, animal welfare and labour standards – and pay farmers accordingly. Businesses should also support local food webs that enable fresh, healthy, sustainably grown food to be sold affordably to local people.

But business can't be expected to act alone. Public policy sets the tone for market behaviour. Ultimately it is down to governments to incentivise fairer supply chain relationships, stimulate a revolution in ecological agriculture and healthier diets, and protect the rights of small-scale family farmers and farmworkers.

farmers of products like bananas having the opportunity to trade with the giant retailer. Many small family producers (particularly women) were effectively shut out of the market. Others want to try and work alongside likeminded companies (within their own supply chains, and with peer companies) to pool resources to create fairer systems. These acts of collaboration could create efficiencies and greater fairness (often by working out a way to cut out the middle men). But they are not as widespread or effective as they might be, in part because the regulatory environment does not always encourage (or allow) companies to collaborate.

The other reason why collaboration can be a challenge is that food companies – particularly larger ones – are reluctant to be fully transparent. Commercial confidentiality is a watchword that cements opacity in business practice.

But civil society and the UK government are encouraging companies to be more transparent. Initiatives like Oxfam's

Behind the Brands and the Business and Human Rights Resource Centre use a 'carrot and stick' approach to exposing business practice; praising companies that are doing good work and shaming those that don't.

The UK government has also worked to encourage transparency in human rights, which affects food businesses. In 2013 the Foreign and Commonwealth Office and Department for Business, Industry and Skills set out a national implementation plan for the UN Guiding Principles on Business and Human Rights.⁵ In their foreword, William Hague and Vince Cable wrote "it embodies our commitment to protect human rights by helping UK companies understand and manage human rights. It sends a clear message of our expectation about business behaviour, both in the UK and overseas."

Some progressive food and drink companies already realise that greater transparency about their products makes good business sense. They make a virtue out of telling customers

about the ‘ethical’ credentials of their goods. But can greater transparency have an even more transformative effect?

More partnership working between business and civil society organisations to align the business and societal cases for sustainable food systems may provide the stimulus needed to move food centre stage in government policy. This is already happening in some areas. Powerful partnerships like the one forged between Oxfam and Marks & Spencer can reap dividends in terms of influence. This partnership convened a group of food businesses to explore how to tackle the big issues in social sustainability early in 2015.

With the corporate power of Marks & Spencer and the campaigning might of Oxfam, the message that “work[ing] together to understand the challenges and implement the approaches that will address the systemic issues in their supply chains”⁶ comes across loud and clear to government policy makers and consumers alike.

Another such collaboration is WWF-UK’s Livewell work. As well as Livewell 2020, which sees the charity encouraging citizens to adapt towards more sustainable diets, LiveWell for LIFE is a pan-European project kick-starting the sustainable diets debate. WWF has a group of dedicated LiveWell Leaders (including the Food Ethics Council’s Executive Director Dan Crossley), all leading experts in health, environment and food businesses, working to create policies and demand for climate friendly and healthy food. Working in six countries and at an EU level, LiveWell for LIFE’s ambition is to shape how Europe eats in the future.

Transformations needed

There are some kinds of transformations that are unlikely to take place within the auspices of the current system. These transformations are needed for fast and effective change. For instance, greater transparency about the price of products could have a radical effect on the way the market operates. Questions are often raised by NGOs about the margins currently being made by some players in the food system. This is due in no small part to the disproportionate power and lack of transparency about profit margins along supply chains.

Giving customers an insight into how and where value is distributed along the value chain allows them to ‘vote with their wallets’ for products with fewer middle men and where prices seem ‘fairer’. As we’ve already seen, some companies are embracing greater transparency; they are trailblazers for how the whole industry might be operating. Could these companies be doing more to encourage government to tell all food and drink businesses to be more transparent along their supply chains? This kind of price transparency could also pave the way for a dramatic shift in people’s eating habits.

Once it’s understood where the value lies along the supply chain, it’s a short step to changing the price signals of food. Many poorer people in the OECD countries are locked in to buying unhealthy, processed foods because they are cheaper, or because retailers put them on special offer. These market signals are trapping people in unhealthy eating; a trap that is likely to cost society dearly in years to come as the costs associated with diet-related disease continue to escalate.

But these ‘cheap’ foods don’t factor in the ‘externalities’ of their production. They don’t take into account the human rights abuses suffered by the people whose land was grabbed to grow the product; or the biodiversity loss; or indeed the costs to public health of cheap food that is high in sugar, salt and saturated fat. There are mechanisms by which people could be encouraged to buy ‘better’ food. Fiscal tools, such as taxation to discourage consumption and subsidies to encourage healthy eating could help price in the externalities and support the move towards healthy and sustainable food systems.

Paying a true price for ecosystems services is both sensible and urgent. Poor soil management practices can lead to the abandonment of cropland, and deforestation can cause flooding which in turn causes farmers to lose crops on a catastrophic scale. These are direct losses; but there are also indirect consequences of not paying a true price for our ecosystems services. Overfishing by European fleets off Africa erodes livelihoods and fuels piracy – which in turn increases shipping insurance prices. These may be indirect, but they directly affect the price of our food.

Modern food manufacturers and retailers like Unilever and Walmart are being encouraged to use their market power to reduce rural poverty, by bringing smallholder producers into their supply chains. A number of success factors for such “inclusive business” have been identified that shape how these lead firms can influence the trading relationship along the chain for scale and fairness.

But inclusion has another dimension that is often overlooked in the inclusive business agenda: the performance of a sector rather than individual chains. One of the big ironies of contemporary CSR in commodities like cocoa is that companies can practice “inclusion” and apply “sustainability standards” to trade with sectors that are extractive, in terms of shifting excessive value from producers to manufacturers, retailers and consumers.

Critical to sector performance is the capacity of a sector to capture a sufficient proportion of consumer value to

re-invest in productivity and quality. This is especially important for poorer producers or producers in remote areas. The Kenyan smallholder tea sector is a prime example, where the Kenya Tea Development Agency (KTDA) provides a level of sector organisation that ensures access to technical assistance, inputs and finance, and is able to drive sustainability and quality.

A well performing sector greatly improves the prospects for inclusive procurement at scale. But the institutions of sector governance may be viewed as relics of state-regulated agricultural markets. Large companies may try to bypass those institutions and buy direct in order to have more direct control over their supply chains. Companies should think very carefully before bypassing a sector organisation that is delivering for value, quality, farmer empowerment and livelihoods.

It isn't just today's society that is affected by not paying the true price for food. The long term hidden costs associated with not paying a high enough price for ecosystems services will be borne by future generations. Strategic initiatives at brand level and choice editing are likely to be among the most effective tools in our current toolbox to protect ecosystems services – more so anyway than offering customers certified sustainable choices alongside unsustainable ones.

But back to the thorny issue of who should carry the costs. It's clear that producers would most likely be unable to pass the costs to the retailer (and the general public) as producers are most often in the weakest position in the value chain. A frank conversation about value and cost sharing amongst food manufacturers, retailers and foodservice companies, looking at margins, may help make the situation clearer.

However, that kind of collaborative discussion could fall foul of competition law. Is it possible to move beyond this fundamental (or perceived) barrier? It's clear that it needs to happen, and there is a model that points to a way through the

impasse. Debates about collaboration are happening right now in the pharmaceutical industry, despite anxieties over competition law. The strong drivers for this kind of debate in the pharmaceutical industry have been the insurers and national health services. Identifying the stakeholders who would be the drivers for the food and drink industry is critical. There appears to be nervousness, even among progressive businesses, in kick-starting this discussion. But unless seemingly impossible issues such as these are met head on, the problems they create may never be solved.

The cost of food will inevitably become more volatile – and most likely higher – as the market responds to climate change, escalating resource costs and population growth. But trying to tackle rising food costs in reaction to market signals will create a suboptimal response. Better to be bold and start looking now at the challenging policy options of changing consumption patterns, reducing meat consumption, eliminating waste, and paying the true price for the food that's on our plates.

New business models

Our report *Beyond Business As Usual* identified the development and adoption of new, more sustainable business models as crucial for moving towards a more equitable food system. The definition we used for a sustainable business model was one that is commercially successful by providing social value within the limits of the planet. The widespread adoption of business models that fulfil this criteria would be a transformational leap; one that some of the more forward-thinking food businesses are giving serious thought to.

Constraining

Some progressive leaders in food businesses understand the risks to their organisation from an unsustainable food system, and want to transition to a sustainable business model. One key constraint is the perceived need to ‘take their customers along for the ride’.

A familiar saying is that businesses need to be “half a step ahead” of their customers. Many interpret this as an argument for sticking with the status quo – giving customers ‘what they want’. But it could equally have a far bolder interpretation: giving shoppers what they don’t yet know they want. Hence Marks & Spencer’s Plan A, which assumed their customers would want the ethical choice once they were given it.

Another constraint is corporate reliance on growth as the key indicator of business success. Infinite growth is not possible on a planet with finite resources, yet the majority of food and drink businesses (and indeed most businesses) are carrying on regardless, assuming that relative impact reductions through efficiency savings will be enough. This is a huge barrier to changing business models, because making corporate changes here means ‘opting out’ of the global economic model; a brave move, and one that could be seen as virtually impossible for listed companies.

For many companies the short term business case to shift to new business models is unclear. Incentives for change appear to be weak (or sometimes even non-existent). These barriers, along with the corresponding pressure to meet shareholder demands, lock businesses in to the prevailing business model.

Enabling

How can businesses resist the short term pressures posed by quarterly reporting? In 2011 Unilever moved away from reporting quarterly because it wanted to attract investors who were ‘in it for the long term’. Other businesses are beginning to look to their own pension arrangements – are they investing sustainably? Civil society organisations such as ShareAction are working hard to increase public scrutiny of where pension money is invested. They see this vast fund as a potential force for good; and public scrutiny of pension fund investment is only likely to increase.

Citizens are beginning to demand that food businesses ‘clean up their act’ on sustainability. This trend towards sustainable sourcing means that manufacturers, foodservice companies and retailers are now seeing that the security and affordability of high quality produce depends on investing in the communities from which they source.

Businesses are starting to invest in initiatives that encourage rural employment in regions where the farming workforce is shrinking. Others are investing in stewardship initiatives to conserve water. In 2014, PepsiCo announced a land rights policy, and Mars has committed to sourcing all its palm oil from sustainable sources by the end of 2015. And yet these are still only the minority of businesses – usually manufacturers with relatively few product lines. The majority of retailers are further behind in developing these international supply chain relationships, because they stock thousands of lines, many of which get to them through convoluted and opaque supply chains.

Jonathon Porritt

Founder Director of Forum for the Future

Looking back over the last decade, I've come to one overwhelming (and highly disconcerting) conclusion: as far as the global food industry is concerned, significant increases in overall awareness about sustainability issues have not necessarily translated into any significant changes in their basic business model. Indeed, with oil prices down and food security temporarily off the political agenda, there's a lot of complacency out there.

At the same time, however, there's a surprisingly far-reaching consensus about the basic attributes of a genuinely sustainable food system: low carbon; resource and water efficient; resilient; innovative; biodiversity-friendly; fertility-building; waste minimising; nutritionally sound; high animal welfare; health enhancing; transparent; socially equitable; and (of course!) profitable over the long term. To which many would add (with nothing like the same level of consensus!) less meat-intensive diets.

But today's reality is that if you analyse any one of those attributes, the gap between business-as-usual models in food and farming, and what now needs to happen, is enormous. That gap is perhaps starkest when looking at the challenge of low-carbon farming. Given the focus on the all-important

Climate Summit in Paris at the end of the year, it's remarkable how little attention is paid to rising emissions from farming, particularly from meat and dairy. Globally, this is an industry that is still almost entirely dependent on fossil fuels – for fertilisers, crop protection, farm machinery, transport, distribution and so on.

It's not that good things aren't happening. They are – at the level of individual companies (with Unilever's Sustainable Agriculture Code still one of the market leaders out there today), and through increasingly influential coalitions of companies. For instance, the work that the Consumer Goods Forum has done on ensuring that big companies source key raw materials (such as palm oil, beef, soy and so on) in ways that avoid any further deforestation, is now getting real traction.

But the complacency I referred to earlier is still endemic. And without being too gloomy about such a state of affairs, that pretty much guarantees that there will be further shocks to this particular global system. And only then will today's unworldly business models in food and farming begin to adapt.

There are still debates about what trading fairly might look like. There are a variety of sustainable and fair models that businesses can adopt – some are well trodden, and others are more radical.

Adding value isn't just about providing direct employment. Progressive businesses are beginning to understand that it is also about the wider infrastructure such as running schools and crèches for workers' children, or providing healthcare for a community. This builds community and business resilience. These activities, sometimes called social and economic 'upgrading', create opportunities for developing countries to capture some of the benefits from a drive for 'better quality' in products amongst people in countries like the UK. Economic upgrading (raising incomes) requires social upgrading (building skills, education, infrastructure,

employment terms and conditions). More and more companies in the UK are helping make this happen by taking positive actions along their supply chain. The motivation seems to be that it makes good business sense.

One such example is Mondelez International (which owns Cadbury brands). Mondelez has set aside \$400m investment over 10 years to help cocoa farming communities. It makes business sense because it secures cocoa supplies by investing in the local communities who will grow the product.

Fairtrade can 'upgrade the value chain'. For instance, Divine Chocolate has a large Fairtrade cocoa farmers' cooperative as a shareholder. In general though, currently there is an unequal distribution of value in the supply chain, despite a clear ethical case to push for fairer distribution of value.

One way to speed up change in this area is for NGOs to hold businesses to account by looking at power in supply chains, power flows and the pressures they cause; as well as holding them up to public scrutiny.

As well as increasing social and economic value, businesses can increase their environmental value too. One example is the way that some businesses are addressing the issue of water along their supply chain. This 'stewardship' approach to tackling water scarcity is a good example of early adopters paving the way for more mainstream companies to follow suit.

Ninety two percent of of all abstracted fresh water is used by the agricultural sector, so there is a huge business risk. 'Water Stewardship' has become a mainstream approach, in recognition of the fact that some of the biggest challenges arise not in measuring water risks, but in the practicalities of working with other users to manage them. Simply relocating from water scarce regions is not an ethical option – new business models see companies investing in localities for the long term. In addition, pulling out is unlikely to reduce the long term risks posed by unsustainable water use, as 80% of the world's population already live in areas with high water security threats.⁸

Transformations needed

Sustainable business models are also about building resilience to cope with future shocks and stresses. As such, rather than worrying about being one step ahead of their customers, business leaders must embrace it. If current business models rely on cheap and free resources, prescient business leaders know that won't be the case for much longer. In a resource-constrained world, radical new business models are needed.

These models may look – on the surface at least – similar to the ones we have today, but their values and their success indicators will be radically different. They might seek to deliver positive nutrition; adopt an economics of 'enough' approach; or build thriving long term relationships with stakeholders.

The 2011 Foresight report on the future of food and farming looked ahead to 2050. Led by Professor John Beddington

its key message was that "nothing less is required than a redesign of the whole food system."³ Its vision for this redesign was that businesses need to integrate sustainability into production, work with smallholders internationally and negotiate longer term relationships with investors.

What might 'reimagining' the food system mean for business? Food manufacturers, food service companies and retailers will need to work more collaboratively with smallholders – the majority of farmers – across the world.

As larger retailers open up into emerging markets, they will need to source more of their supplies from smallholders in order to secure the volumes they need. It will change the way they do business, and alter the shape of their supply chains. Now is the moment to define what that change will look like. A sustainable business model will ensure that smallholders have sufficient bargaining power in their dealings with the retailers, for example by forming cooperatives.

Food waste is another area where businesses can radically redefine their operational models. Many scientists, food companies and agronomists say the world needs to double food production by 2030, but the latest figures show that around one-third of all food produced globally for human consumption is wasted.⁹

This received wisdom is far more palatable to food businesses than the argument for resource efficiency. It's hard to make money out of cutting post-consumer food waste; and it was claimed in one Business Forum that if supermarkets cut their waste by 10% their profits would fall by the same amount. It is, however, easy to make money in producing even more food. That's why most food and drink businesses are hitched to the twin tracks of 'creating more with less' and redistribution of surpluses. Sustainable intensification – growing more food on less available land using 'sustainable' inputs – is the watchword of the agribusiness industry.

But many leading food policy experts say that investing in infrastructure to avoid post-harvest waste, and nudging consumers into wasting less food, would mean that nobody need go hungry in the world, because we already produce enough to feed every person on the planet. The problem is

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Independent specialist in governance, sustainability and accountability

Support for long term responsible investment is growing and there are steps that food businesses can take to encourage and respond to this trend. Companies can have a significant influence on their employee pension funds. They can encourage trustee boards to select investment managers who take a long term approach, and can nominate executives with good understanding of environmental and social risks and opportunities as pension fund trustees. Where there are no trustees, human resources staff can ensure that defined contribution providers offer long term asset stewardship and sustainability-focused investment choices.

Investor relations also has a vital role to play. Chief Executives need to educate the City, explaining to investment analysts how sustainability drives and protects their profits, and companies can prioritise dialogue with long term investors rather than short term traders.

Long term investment is an increasing priority both within the UK and globally. Following the 2012 report of the Kay Review of UK Equity Markets and Long Term Decision Making, a new

Investor Forum was created by the UK investment industry to make the case for long term approaches and place responsible company ownership at the heart of investment decision making. This should build on the international success of the Principles for Responsible Investment. Still less than a decade old, this UN-backed initiative has nearly 1,500 signatories including pension funds, asset managers and investment service providers. All are required to report annually on their implementation of responsible investment.

More widely, a range of new developments in investment may offer opportunities to finance more sustainable business models. These include crowdfunding, retail bonds and potentially the new EU framework for European Long Term Investment Funds (ELTIFs).

While investor pressure for short term returns is widely regarded as an inhibitor to more sustainable business models, there are practical moves that food companies can make today to support a longer term focus.

that it doesn't go where it's needed. It's one of the biggest tragedies of our time that so much food is wasted.

Many businesses are now embedding food waste into their business model by committing to redistribute surplus food to tackle poverty. This may appear to be a new and innovative business model that is predicated on 'doing good'. However, from an ethical perspective, it does not stand up to scrutiny. Whilst it may meet a short term need, essentially food redistribution is tinkering around the edges of the system. Rather, businesses need to tackle food (and other) waste at source, which would free up resources for delivering appropriate food security measures where they are needed.

In January 2015 Unilever announced that it had achieved zero waste to landfill across its global factory network.¹⁰ Its key priority across its 240 factories in 67 countries is to reduce waste at source, but it's also looking to find innovative solutions to reduce waste along its supply chain.

Unilever says that this strategy has already saved the company £200m, and created hundreds of jobs around the world. It's taking the concept of zero waste to its suppliers and customers too, although its chief supply chain officer (Pier Luigi Sigismondi) told Business Green¹¹ in February this year that tackling waste at the consumer 'end point' is probably the company's biggest challenge.

Yet – unlike many companies still unwilling to face up to these constraints – Unilever acknowledges it has to be done. After all, working within the safe operating limit of the planet means that all businesses will eventually have to transform their relationship with food waste.

The role of government

One refrain that we have heard in many Business Forums, and across many issues, is that government needs to step up to the plate. From being too reticent about telling people what to eat, to assuming food businesses want to cut red tape at all costs – many businesses believe that government is reluctant to take responsibility. We've heard how government and businesses are relying on the general public to drive sustainability, but people – ordinary shoppers – don't want to or can't discharge this responsibility.

Constraining

There are ways and means by which governments can create a societal shift towards a sustainable food system. Since 2010 the buzz word in shifting behaviour has been 'nudge'. Behavioural economics helps us understand behaviour so policies can be designed that gently steer us towards living more sustainably.

Rather than engaging people in the issues, 'nudging' encourages change by offering incentives, competition and other prompts for sustainable behaviours. However, new research shows that social marketing techniques that identify and play to people's 'extrinsic' values (such as competition or value for money) merely reinforce them, and have the unintended consequence of suppressing socially and environmentally responsible behaviour elsewhere.

This research poses a dilemma both for government and businesses, particularly around choice editing on environmental or social grounds. That doesn't mean choice editing is wrong, but it does highlight the risk of collateral damage from such a tactic and the fact that it implies there may be a strategic trade-off.

If the government is keen on 'nudging' consumers towards sustainable behaviours, its focus on business deregulation appears to veer in the opposite direction. This may be in part because of the drastic cuts to Defra's budget in recent years. Since 2010 it has seen a budget cut from £3bn to a projected £2.3bn in 2015-16.¹² But the government's preference for a voluntary approach needs to be tempered by leadership and certainty about what it wants from business.

The coalition government's commitment to cutting red tape is a case in point. Whilst much of the red tape agenda was about eliminating inefficiencies, there seemed also to be a move towards encouraging businesses to get more involved in developing and implementing policy. Many large businesses value regulation as a stimulus for innovation and investment in sustainability, so they are worried by a deregulation agenda.

With the government trapped in a policy environment of 'nudging' consumers and 'liberating' business, how can the food and drink industry harness government's power to 'do good'?

Enabling

The enormous power that governments yield is for the common good: they have the ability to shift societal norms. They've done it for smoking, and for seatbelts. One key question is how food businesses can exert their influence over future governments to do it for food too.

One way might be through bolstering existing government initiatives such as the Public Health Responsibility Deal (PHRD). This initiative, sponsored by government, but industry-led and run on a voluntary basis, has been functioning since 2010.

Its key aim has been to encourage food businesses to reformulate their products so that they are healthier. There have been early wins on salt reduction and a Front of Pack nutritional information scheme which has been taken up by companies that account for almost two-thirds of the food on sale in the UK.¹³

Sue Davies

Chief Policy Adviser at Which?

Tackling the food sustainability and security challenges facing the food supply chain – from obesity to climate change, food safety and affordability – requires a joined up approach across the government departments that have responsibility for food issues. In recent years, food policy responsibilities have become far too fragmented with no clear plan in place for the type of food system we need.

Our consumer research has shown that many people are unaware of these challenges and how they will impact on the type of choices they can expect in the short and longer term. But when people are presented with information about the different pressures, they expect there to be a clear plan in place to help to address them. They also expect people to be made more aware of these issues, given a say in how we move forward and given clearer advice and help to enable them to make more sustainable choices. There

But in February 2015 a British Medical Journal report¹⁴ found that food companies are unlikely to meet the PHRD's pledge to reduce the calories in their products by 5%. And just a month earlier, in January 2015 a report by 2020 Health¹⁵ (sponsored by AB Sugar) called for the PHRD to be turned from a voluntary initiative into law for all food and drink businesses. As it said, "The Responsibility Deal has made a good start, but this needs to be built upon and developed further into a clear legislative framework."

This plea to government to turn a voluntary agreement into a legal framework follows a clear trend towards businesses welcoming some aspects of regulation. As yet, government does not seem to be open to this. One way that food businesses can encourage government to listen harder is through the PHRD platform, where they can effectively lobby government for changes in this area.

The neoliberal discourse which has increasingly dominated government policy since 2010 dictates that all policy should be focused on market behaviour. One example of this is the (2010-2015) coalition government's open prioritisation of increasing exports and competitiveness in food industries.

is an important role for businesses in doing this from the products offered and information provided through to the use of price and promotions.

But government leadership is also crucial. A national strategy for the future of our food production and supply is needed, ensuring that consumer views and interests are central to decision making, including how we address different trade-offs and where new technologies and techniques may be introduced. Clearer advice about healthy and sustainable diets needs to be at the heart of this, helping to shape consumers' as well as producers' choices. This strategy must be supported by effective co-ordination across government and a strong, national independent food standards agency that is a real consumer champion.

Many argue this has been at the expense of other important issues such as addressing growing food poverty at home.

Another example is that successive governments have, over recent years, dealt with food crises by creating new bodies or mechanisms (such as the Food Standards Agency and the Groceries Code Adjudicator) to deal with them. This means that the government's responsibilities for improving health, protecting the environment and ensuring fair practice is farmed out to quasi-independent institutions, which can bring benefits, but may mean a more reactive approach to change. Some might claim that 'outsourcing' the government's responsibility by creating independent regulatory institutions means that policy makers have absolved themselves of the responsibility to directly tackle the core issues in the food system. Rather than government being an 'enabler' it is arguably devolving responsibility.

The role of government as an enabler – setting the conditions for business and civil society to bring about a sustainable food system – is one that many food businesses want to see it take on. As well as leading the way in initiatives like the PHRD, government also needs to recognise current policies

that don't help create a sustainable food system. And when that happens, it needs to have the flexibility to change its approach. This kind of assertive government is clearly needed to tackle some features of the way the food industry operates which are incompatible with a fair, healthy and environmentally sustainable food system.

It's clear that there is an appetite amongst food and drink companies to see food policy taking centre stage in government. They want to see direction and certainty. One way the government can demonstrate this is through an integrated food policy; one where production and consumption issues are both considered with equal weight. This can only be achieved through strong government leadership.

It is important to remember that much of food policy, and particularly agricultural policy, is dictated at the EU level, rather than the national level. As such, whether or not the UK remains in Europe is likely to have a major effect on our food and farming systems.

Government policy is almost always framed by short term political thinking, just as business policy is almost always framed by short term profits. But as we've seen, there are some truly outstanding business leaders who are swimming against the tide. They are thinking about the long term health of their companies, and the long term risks and opportunities. These people are changing the way that food policy is seen – it's now a leadership issue amongst the business community. And these progressive chief executives can encourage a similar level of leadership in government. They can show politicians that just because an issue doesn't fit within a short term financial or political cycle, it doesn't mean you shouldn't tackle it.

Transformations needed

The burden of producing ever larger quantities of 'cheap food' is taking its toll on the environment, public health and animal welfare. Without a mechanism whereby consumers are informed about (and motivated to seek out) sustainably produced food, is it reasonable to assume that citizen-led change can be achieved? If not, other options need to be seriously considered. Some business leaders believe that it is inevitable that the concept of 'informed choice' will be replaced by a more interventionist approach.

One such approach is the option of introducing taxation on unhealthy food. One of the difficulties of imposing such fiscal duties is that the Government is in a double bind. On the one hand it risks alienating the powerful food lobby if it sets high taxes; on the other a lower tax (even at 20%) could be seen as weak and ineffective. Certain national and regional governments around the world have already introduced similar taxes, and the jury is still out on how successful they are.

We also saw in a previous section the difficulties around 'internalising the externalities' in the food system. Clearly, if the true cost of food is to be reflected in its price, the way the market operates will have to be changed. It will take a huge transformation, spearheaded by governments, to make that change. Two foodstuffs highlight the difficulties around internalising the externalities of food production. They are meat and high sugar/fat foods.

Meat

According to the UN, livestock products account for about 8% of the UK's and 14.5% of global greenhouse gas emissions and it is the largest single water-polluting sector. Excessive amounts of red meat are harmful to human health. Yet some livestock production can be valuable, and eating meat is a cultural pursuit in many countries around the world. Access to meat defines our social status, and it's important in festivals and ceremonies across the globe.

It is necessary for business and policy makers to sit down and negotiate these difficult trade-offs. Rather than exhorting people to eat less meat, it may be more practical to make producers internalise the externalities, therefore pushing up the price. This manipulation of the market is complicated. There are opportunity costs – making meat more expensive might lead to farmers abandoning marginal land, which could be bad for the environment. Encouraging people to eat less red meat might lead to a massive take-up of white meat, which in turn would put more pressure on grain growing resources.

It's been argued that if the market is changed so that farmers get proper value for their meat, then extensification of meat production would become more profitable. This could be done using a suite of measures to support farmers and encourage behaviour change.

Another way of adjusting the market could be to introduce carbon taxes on meat. As the need to decarbonise our economy and the costs of diet-related diseases increase, governments will inevitably have to take more drastic action. There could even be the introduction of personal carbon allowances in the future, which would most likely reduce our consumption of red meat, and could perhaps be an equitable and effective way of tackling climate change.

Many food industry insiders would agree that meat consumption is a 'difficult' issue and are reluctant to debate it in public. Others – most notably NGOs – are determined to push the issue up the political agenda. What's clear is that without all key stakeholders sitting round the table to discuss the trade-offs and win-wins, the eventual outcome will not be fair.

Fat taxes

'Fat taxes' (or health-related food taxes) are another policy tool for government. A range of taxes has already been introduced on 'unhealthy' foods in a number of countries, with varied results.

Whilst changing how the market operates in terms of sending price signals to consumers about what they should and shouldn't eat may or may not work, policy makers shouldn't rule out health-related food taxes. Although it may appear unpopular and regressive (and such taxes are regressive), they're progressive in the sense that they may significantly reduce health inequalities. Using the tax revenue to subsidise healthy food instead – such as fruit and vegetables – could make the tax more palatable to the general public.

At what level would businesses be able to accept such interventions (which may be seen as draconian by some)? Within the current operating framework of the profit driven model it's hard to see that they would ever be acceptable. But if businesses' definition of commercial success was to provide social value within the limits of the planet, then these manipulations of the price differential would make a lot more sense.

Key tensions

There are a whole host of tensions that exist around the transition towards sustainable and fair food and farming systems, but it is the Food Ethics Council's belief that the seeds sown within progressive businesses and civil society are already beginning to germinate. One day they will inevitably transform the way food is grown and eaten. The question is how quickly.

The journey is likely to be turbulent, and it is vital that along the way all travellers recognise – and discuss – the trade-offs and ethical dilemmas that we will most certainly face.

The Food Ethics Council's Business Forums are all about those discussions. We unravel and unpick these trade-offs and tensions; the unintended consequences of what might be perceived to be 'good' or ethical decisions. It's not an option to avoid tackling the difficult issues facing our society. It's crucial they are dealt with head on, right now. It's not good enough to pass the buck with the excuse that they're intractable or too complex.

The Food Ethics Council doesn't claim to have the answers, but it's our profound belief that by asking the questions, framed in the right way, together we can work through these issues that define our era and collaboratively find solutions to them. Below are just a few of the key tensions within global food systems that we urge businesses to meet head on.

Economic growth in a finite world

The 'growth model', where economic growth is prioritised over everything else, is deeply flawed. Pursuing material growth as a way of promoting the prosperity of the present generation at the expense of the well-being of future generations is fundamentally unfair. Business leaders and economists recognise this unfairness hardwired in to the 'growth paradigm'. They have the data to show comprehensively that they can't keep using up finite resources as if they will never run out. And yet in the face of this intergenerational injustice, government lags behind.

Eventually, however, there surely will be changes to our economic operating model. Is it not better to have honest conversations now about what a fairer economic system would look like, rather than allowing it to develop based on power and influence and in reaction to crises?

Cheap food in an era of rising food costs

How can the tensions be resolved between needing to provide affordable food for global populations and ensuring that the price reflects the environmental and social costs of the product? There certainly are no easy answers here. But some forward thinking civil society organisations and leading academics are engaged in thoughtful (and sometimes heated) conversations about it.

The true cost of food is a taboo that many food businesses are deeply reluctant to engage with. Some will know what the true costs of their products are, but they may not want to share that more widely.

Many would argue that food businesses are engaged in a social contract with their customers; one that promises to provide nourishment. Perhaps this social contract needs to be extended into a contract that promises – as an ethical minimum – to 'do no harm'. And that contract should not only be with citizens as consumers, but also with producers, the environment and non-human animals.

Individual autonomy versus social well-being

Governments are deeply reluctant to tell people what to eat, which is understandable to a point, as the exercise of individual responsibility is something to be valued and promoted. However the importance of encouraging healthy diets has arguably never been more urgent. The recent adoption of 'nudge' has revealed some difficulties. As we discussed in an earlier section of this report, it's been found that nudging people to make a choice based on 'extrinsic' values (i.e. the portion of an item's worth is assigned to it by external factors) weakens the consumer urge to make decisions for the common good (intrinsic values).

Given the scale of societal challenges, how much should we rely on individual responsibility and to what extent should governments and food businesses tell (or be seen to be telling) people what to eat? The ethical tension here is between individual autonomy (freedom to choose) and social well-being (the impacts of my choices on me, the environment and others). Somehow a balance must be struck between the two.

Food brands understand this tension well. Many would argue that the food industry is already – if not explicitly telling people what to eat – at least using strong persuasion tactics to get people to shop at a particular store or to buy certain products.

But are they exerting that power for good? Some food advertising does seem to be trying to shift behaviours for the long term good. However, much of it is still about promoting short term individual choices – often at the unhealthier end of the spectrum – rather than positive societal choices. Examples include challenging the legal constraints that they perceive prevent them from collaborating for sustainability, and working along their supply chains to support fair practices. They can also choice edit for sustainability. Innovative and exciting things are already happening here, with retailers such as Waitrose, Sainsbury's and Marks & Spencer opting to only stock sustainably sourced fish, fair trade bananas and free range eggs.

Fulfilling short term needs that ignore the deeper issues

The amount of food wasted is greater than the amount of food needed to feed the world's hungry. So it may seem sensible to redistribute the surplus (or the food that's going to waste) to the needy. However, it is of course not as straightforward as that, and there are many ethical tensions wrapped up in this approach.

One such tension is that it assumes the world can go on growing more and more food because if there is a surplus there are mechanisms by which we can give it away. There is already enough food for everyone – focusing only on growing more will put an unbearable burden on our ecosystems.

Another tension is that redistributing wasted food allows food businesses to claim they are 'doing the right thing' whilst continuing to drive up their profits by producing more. Giving away surplus food to the hungry may appear to be morally 'right' in the short term, but if it encourages over-production, it will be unjust in the long run.

Bold steps towards transformative change

As we wrote in *Beyond Business As Usual*, there are many relatively modest changes to business practice that the food and drink industry can implement to help the transition to a fair and sustainable food system.

Many businesses are already partnering with civil society organisations to amplify their desire for more transformational change, and partnerships with the likes of Oxfam, WWF-UK and Forum for the Future are challenging conventional thinking. External influences are also having an effect on how food companies do business. Shopping habits have changed hugely over the past decade. Recently there has been a move away from weekly shops at out of town superstores towards 'leaner' shopping, done more frequently.

Discount supermarkets are becoming increasingly popular in the UK, taking market share from the traditional big retailers. The discounters' model is predicated on fewer lines, and one positive unintended consequence of this is that they are often able to develop much closer relationships with their suppliers, tracking issues like working conditions along the supply chain.

Customers are becoming more interested in where their food comes from. Provenance is important to a significant minority of shoppers, and this resurgence of interest can drive standards up along the supply chain. Telling the story of a product satisfies the already switched on consumer, and sparks the curiosity of the one who isn't. Eventually, perhaps, we'll all be more connected to where and how our food is made.

These are all positive moves. Yet the fact remains that our current food systems are dysfunctional. Many would argue that they do not serve many of the key actors within them. The ecosystems that everyone relies on for life are damaged by the quest for ever more agricultural productivity. Animals are increasingly raised in intensive livestock systems that are detrimental to their quality of life. Many millions of people around the world go to bed hungry at night, and

even more are suffering from diet-related diseases such as obesity and Type 2 diabetes.

The agents of change within global food systems – governments, the food industry, the agricultural sector – must put themselves into the shoes of those the system isn't serving. They need to ask the question "what's the best we can do for everyone, all things considered?" It sounds like an easy question. It isn't. Because for every 'right' answer there are likely to be unintended consequences.

So producing more and cheaper meat to feed a growing global population puts unsustainable pressure on the animals themselves and the environment; and pulling out of water scarce regions to conserve water creates unemployment and financial hardship in those communities.

Climate change, resource constraint and population growth will create even more unprecedented pressures and even more difficult trade-offs on the food system over the coming decades. To face these challenges requires transformative changes led by national, regional and international governments. They must be fully supported by the food and drink sector, and held to account by citizens at the ballot box, in cafes and restaurants, and in the supermarket aisles. And the solutions must give greater weight to the voiceless, the powerless and the vulnerable.

Nothing less will be enough.

As we look forward, collaboration and co-creation of solutions will be key to supporting both fairer and more sustainable food systems. The world in 2050 will bring a host of new challenges that we are just beginning to understand and plan for. They are complex with huge interdependencies, and ill-conceived or simplistic solutions can have unintended consequences. We are starting to understand the issues, and even creating some solutions.

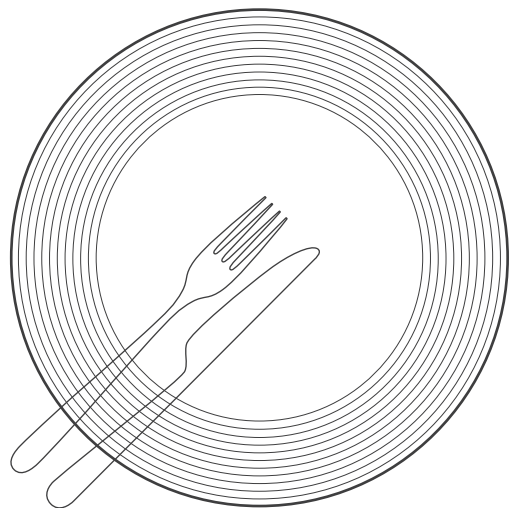
However, as important as “what” we have to do may be, “how” we do it will probably be more critical in delivering a sustainable future food system. As in many circumstances, a

diverse group of opinions and perspectives supports a more robust evaluation and development of holistic solutions.

At the same time, this recognises that no single group is likely to have all the answers and that scaled up solutions require joined up partners and programmes. True partnerships will support balanced solutions, and fairness. While experience is that such partnerships are hard to create, there are an increasing number of examples that show it is possible, provided we can embrace diversity in the broadest sense.

Bringing values to the table

The Business Forums enable senior executives from leading food businesses to view food issues ‘in the round’. Sitting at the table with food systems experts delivers insights that help them to better understand the constraints they are facing; to consider the enabling factors they can build on; and to explore what transformations might be needed to accelerate the journey to a fair and sustainable food system.



The Food Ethics Council believes there are equally important benefits that the Business Forums bring to participants:

- » The value of **open dialogue**: creating a safe space to explore difficult and contentious issues;
- » The value of **deliberation**: being allowed to explore issues without necessarily requiring an outcome;
- » The value of **different perspectives**: Great minds don't necessarily think alike, and hearing the views of people involved in different areas of the food system (and indeed from outside food and farming) can be revelatory;
- » The value of **exploring wider impacts**: just because an issue doesn't directly affect your company, that doesn't mean it isn't important;
- » The value of **thinking ahead**: knowing what's on the horizon that might affect your business allows you to positively influence future outcomes for you, your customers and society as a whole.



The Food Ethics Council's Business Forums are bi-monthly seminars that provide senior food and drink executives with expert insights to help address the big issues facing their businesses. At each seminar top experts and opinion leaders share their thoughts with members on emerging and topical industry developments during an informal and confidential discussion over a sustainably sourced meal at a celebrated London restaurant. The Food Ethics Council provides concise (and anonymised) reports of key points from each seminar. These reports can be found at our website: www.foodethicscouncil.org/businessforum

2007 **Food miles or food minutes**
Is sustainability all in the timing?

Sustainable behaviour
If we really cared, wouldn't we pay more?

Meat consumption
Trends and environmental implications

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2008 **Water scarcity**
A threat as big as climate change?

Ethical labels and standards
Does differentiation drive progress?

Food security
Back on the agenda but what does it mean?

Food policy
Inconvenient truths

Innovation in agriculture
Learning from the IAASTD

Protecting workers
Challenges in UK food and farming

2009 **Ethical consumption**
Solution or problem?

Health claims and functional foods
How will EU regulation shape our choices?

Food packaging
Beyond reduction

Partners against poverty?
Businesses and international development

What Copenhagen means for us
Climate challenges for the food sector

Zoonoses and farming
Evidence, ethics and implications

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2010 **Green governance**
How business ownership affects sustainability

Innovation for sustainable food
An example from the Netherlands

Digesting the election
The new politics of sustainable food

Water risks
A stewardship approach

Environmental labels for food
Scientific, practical and economic issues

Food and finance
Commodity trading, speculation & food prices

- 2011 **The future of food**
Foresight and beyond
- Competition and collaboration**
The law, food businesses and the public interest
- Biodiversity and ecosystems services**
The promise and pitfalls of putting a price on nature
- Carrots, sticks and values**
What motivates sustainable behaviour?
- Red tape and responsibility**
After the Farming Regulation Task Force
- Forecasting the perfect storm**
The economics of resource scarcity
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- 2012 **China**
Business trends, sustainability and food security
- Managing risks or stifling innovation?**
Risk, hazard and uncertainty
- Fat taxes**
Can taxing unhealthy food & drink improve health?
- Working Better Together**
Lessons for effective government-business collaboration
- Driving sustainable food consumption**
- Overcoming commercial and political short-termism**
- Adaptation & mitigation in the food system**
Making choices in the face of complexity and uncertainty
- Animal welfare in a world full of priorities**
Navigating the ethical standpoints of business, government, citizens and consumers

- 2013 **Affordable food**
Getting values into the value range
- Shifting the Frame**
Beyond a productivist perspective?
- Food and ageing**
Cause and effect
- Just food**
From political lightweight to heavyweight?
- Capturing the gains**
Redefining trading fairly
- Food and farming**
Too many steps removed?
-

- 2014 **Responding to the UK Agri Tech strategy**
Challenges & opportunities for agricultural innovation
- The food system we made?**
Visioning a sustainable food system
- Telling people what to eat**
A moral imperative or a step too far?
- Below the breadline: beyond reach?**
Food businesses & food poverty
- Learning from the GCA experience**
Addressing corporate power issues in the food system
- Meat insecurity**
Should we worry about eating our fair share of meat?
-

- 2015 **A steak in the future**
Even if we can grow cultured meat, should we?
- Food choices, advertising and ethics**
What role for advertising in moving towards an ethical food system?
- The changing face of food retail**
Business, values and food ethics

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The views presented in this report are solely those of the Food Ethics Council, unless otherwise stated. Mention of the individuals and organisations above does not imply their endorsement of the contents of the report.

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