

“WE HAVE LEARNT A GREAT DEAL FROM OUR INVOLVEMENT WITH SAI, PARTICULARLY AROUND THE STRATEGIC THINKING OF OTHER KEY PLAYERS IN OUR SUPPLY CHAIN, SUCH AS THE SUPERMARKETS.”
DR BRETT CARROLL, WILMAR SUGAR



Currently 140 farm projects have been completed and 80 have commenced and are currently in progress. “Once these are completed then about 20 per cent of the entire Fonterra farm base in Australia will have undertaken some form of ‘doing more with less’ project, through Fonterra’s SupportCrew™ services” says Mr Holden.

Once the projects are completed the average annual financial gain is estimated to be \$8,000 per farm for fertiliser efficiency projects and \$2,000 per farm for energy related projects. Farmers can essentially choose to take this dividend as increased production or reduced costs, or a mix of both.

“Our fertiliser and nutrient efficiency projects will provide a significant reduction in emissions intensity and there will also be less risk of reduced water quality in surrounding waterways.”

Julia Seddon is Group Environment Manager for Inghams, one of Australia’s largest private companies with a turnover in excess of \$2 billion. She says the company’s membership in the SAI Platform has given it a collaborative advantage through water stewardship.

“We had a social equity issue around our water use,” says Ms Seddon, noting they were identified as one of the top ten water users.



Ms Seddon says the benefits of the program also include building an internal capacity on water stewardship in a production-focussed environment, as well as providing Inghams with a positive story to tell.

“Along with our energy efficiency, waste minimisation and animal welfare programs, our water efficiency program helps us demonstrate our sustainability ethos and credentials and provides an opportunity for collaboration.”

Collaboration and the consumer

“The days of corporates telling their own story are gone,” says Simon Talbot.

“We firmly believe that our story should come from the farmers and the supply chain that supply us.”

Mr Talbot says that large corporations in partnership with organisations such as SAI is the perfect conduit to tell this story.

“When the story is told by competitors together, alongside their supply chain partners, it can be very compelling.

And it’s a story the consumer is willing to hear.

“We all know there is a conscious consumer emerging across the developed and developing markets,” says Mr Talbot. “They now take a holistic view of what they consume.”

“Sustainability is part of what we do — it’s a part of our business. We want to be a role model and take a leadership role in water stewardship. Our membership with SAI and the contacts we’ve made has gone a way toward us realising this.”

Inghams has made significant investment in water efficiency and now is a world leader in terms of water efficiency — saving 545ML in the first year of implementing its water stewardship program. It also received the Prime Minister’s Water Wise Award along with a Woolworths Sustainability Grant.

FIND OUT MORE

If you source from the land, if something from within your supply is grown, then you can’t afford not to be a member of the SAI Platform.

Joining SAI Platform provides a unique opportunity to share thinking on sustainable agricultural issues impacting the food value chain.

With access to guest speakers, pilot projects, conferences, field trips and working groups, a membership provides valuable knowledge to build on your organisation’s sustainability strategies. ■



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The following are members of the SAI Platform:



Goodman Fielder Ltd
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Costa
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“TEN YEARS AGO SUSTAINABILITY WAS A ‘NICE TO HAVE’. TODAY, FOR US, SUSTAINABILITY IS STRATEGY.”
SIMON TALBOT, MONDELEZ

“SUSTAINABILITY IS ABOUT BEING IN BUSINESS – AND STAYING IN BUSINESS FOR ANOTHER 157 YEARS.”
DR BRETT CARROLL, WILMAR SUGAR



THE AUSTRALIAN SUSTAINABLE AGRICULTURE INITIATIVE PLATFORM

Australian agriculture faces mounting pressure to not only feed ourselves, but to also meet the demands that have come from our increasing engagements with global markets focussed on the Asia Pacific Region and the Middle East.

The Australian Sustainable Agriculture Initiative (SAI) Platform came together six years ago to focus on sustainable outcomes to meet these challenges and opportunities.

The SAI Platform is a unique member-based organisation committed to supporting the development of sustainable agriculture. These members include some of Australia’s leading corporations spanning agricultural, food and beverage supply.

The SAI Platform draws its strength from these different companies and sectors, coming together to solve problems. Its sole agenda is to improve the sustainability of agriculture and productivity.

“SAI is unique, at a strategic level it is the only organisation that gives you a complete view of the agricultural supply chain; it enables an organisation to make contacts on common issues,” says Simon Talbot. “But at a much deeper level, it’s a collective supply chain, so how do we work together?”

“SAI’s focus is connecting the farm-gate, manufacturers, buyers, policy makers, retailers, academics and investors to solve problems in a pre-competitive environment. What is best for the industry? What is best for our farmers? What is best for productivity?”

Greg Hunt, Nufarm’s Group Executive Global Marketing & Business Development, sees their involvement with SAI as an opportunity to shape and inform how Australian agriculture approaches and responds to sustainability issues

“We see it as an opportunity to refine our internal and external discussions around sustainability and strive for continuous improvement,” says Mr Hunt.

“It is also an opportunity to promote the important role that organisations like Nufarm have in the sustainable production of food, including relationships and interaction with growers and other up-stream organisations.”

Dr Brett Carroll from Wilmar Sugar sees the SAI as a unique opportunity to bring all the leaders across the value-chain together to get an insight into the work being done in the sustainability space.

“As the biggest producer of sugar in Australia and one of the top ten in the world, such insight is invaluable,” says Dr. Carroll. “And we certainly have a number of environmental challenges.

“We have learnt a great deal from our involvement with SAI, particularly around the strategic thinking of other key players in our supply chain, such as the supermarkets.”

Coles is one of those supermarkets leading the push for a more sustainable approach across the supply chain, responsibly sourcing much of its product – including sustainable seafood, beef with no added hormones, sow-stall free pork and cage-free eggs.

For a company that is the world’s fastest growing retailer with nearly 750 stores throughout Australia, they play a crucial role in delivering on the promise of sustainability to the last link in the chain – the consumer.

Together, the SAI members account for more than half of the food and beverage production and retailing sales in Australia. And together they have promoted and implemented solutions, as well as collaborated across the supply chain to increase the impact of these solutions.

SAI is unique not only in its size and scope its cross value chain membership, but also in that it works in a non-lobbying, non-competitive environment.



“SUSTAINABILITY IS AT THE CORE OF WHAT WE DO. WITHOUT HEALTHY PEOPLE, COMMUNITIES AND ECOSYSTEMS, WE WILL BE UNABLE TO CONTINUE TO OPERATE IN THE LONG TERM. HOWEVER, SUSTAINABILITY IS MORE THAN JUST PROTECTING PEOPLE, PLANET AND PROFIT, IT IS ALSO ABOUT BEING ADAPTABLE TO CHANGE, INNOVATION AND ENSURING THAT WE CAN RESPOND TO FUTURE CHALLENGES.”
SHAYNE RUTHEFORD, WILMAR SUGAR

A CROSS INDUSTRY APPROACH TO A MORE SUSTAINABLE SUPPLY CHAIN

Critical mass, a pre-competitive market place and open collaboration

The days of undertaking projects in isolation purely on sustainability grounds doesn't make much sense any more. Today, you need to understand how sustainability flows throughout the farming system and the supply chain.

“A vibrant farmer base really suits a pre-competitive marketplace and open sustainability collaboration from members is the key enabler,” says Simon Talbot.

“For example, if you're getting better productivity across the entire Australian dairy sector, it benefits a host of other industries along the supply chain.”

Dairy is a great example, as it touches the lives of 93 per cent of Australians every day, whether they're consuming dairy, working in the industry or benefiting from the management of natural resources.

Notwithstanding the dairy sector's long and proud record for “doing the right thing”, the demands on dairy to demonstrate its credentials in sustainability have intensified.

“Customers are telling industry they want to source all their agricultural raw materials sustainably by 2020 and retailers are driving sustainable fresh food-sourcing and looking to impose their own criteria on industry,” says Dairy Australia's Manager of Sustainability, Helen Dornom.

“Although farmers and processors have been working hard on many fronts, a cohesive approach for the whole of the sector was realised in 2012's Dairy Industry Sustainability Framework.”

The Framework, whose development was facilitated by Dairy Australia, an SAI Platform member, identifies goals and sets performance targets for industry and, in doing so, provides stakeholders with evidence the dairy industry is committed to people, planet and profit. It is a blueprint for keeping the dairy industry in business for the long term.

Growing the market and expanding Australia's food production capacity

Another example of where collaboration is critical is the potential for a northern Australian foodbowl — an aspiration where SAI could be of real benefit and play an important role.

“We're aware of companies that have trialled projects near the Ord River and achieved some amazing production results,” says Simon Talbot.

However, this success was dampened through the lack of a proper port facility to get the produce out.

“Once these various companies shared these results, they looked at each other and thought had they spoken to each other, there was enough critical mass to warrant exploring the issue more closely.”

Critical mass also brings training into the community, and it attracts supply chain partners such as fertiliser, irrigation and transport partners.

It is this collaborative thinking, across the supply chain in a pre-competitive environment, which provides SAI much potential to play a pivotal role in this endeavour.

There will be 1.6 billion middle-class consumers in Asia by 2020. 1.6 billion consumers with Westernised food aspirations, protein aspirations and calcium aspirations.

Today Australia can produce enough food for 65 million people, but needs to aspire to higher targets — up to 270 million — of which a northern foodbowl would play a critical role.

“We need to aspire to these higher targets,” says Simon Talbot. “We have seen the instability in the world that can be caused by food shortages, and it is not something we'd want to happen on our doorstep.”



Dairy Australia
The importance of Dairy Australia's Dairy Industry Sustainability Framework is the fact that dairy touches the lives of 93 per cent of Australians every day, whether they're consuming dairy, working in or for the industry or benefiting from the management of the natural resources.



Nufarm
As well as reducing greenhouse gas emissions and energy consumption, Nufarm's new QuikPour™ packaging will see an 82 per cent reduction in plastics packaging per litre.



Wilmar
Wilmar Sugar is one of Australia's largest renewable energy generators from biomass. In 2011/12 they produced nearly 2 per cent of the renewable Energy Target for 2013.



Inghams
Inghams will save 545ML of water in the first year of their water stewardship program.



Fonterra
On average Fonterra's fertiliser and nutrient efficiency projects will provide a 15 per cent reduction in fertiliser related emissions on each farm. There will also be a reduced risk of reduced water quality in surrounding waterways.



Mondelēz
By 2015 Mondelēz will sustainably source 100 per cent of their coffee, investing a minimum of \$200m up until 2020 to achieve this.



THE SOCIAL AND ENVIRONMENTAL BENEFITS OF SUSTAINABILITY

Improving communities

As well as addressing a worldwide need, the advantages of a more sustainable agricultural supply chain have a number of social and environmental benefits closer to home.

Improving the productivity and economy of a community is one of the most meaningful things governments and business can do. It also has a positive impact on the environment — for example a cleaner and leaner production system that uses fewer chemicals.

Efficient farming

Efficient farming means fertiliser is applied so it grows better crops and reduces nutrient run off (like phosphorus and nitrogen) into streams or as greenhouse gas emissions (such as nitrous oxide).

In addition, electricity is the primary energy source for most agricultural production — although if Wilmar Sugar continues on its current path, this may one day no longer be the case.

According to Dr Brett Carroll, Wilmar Sugar is one of Australia's largest renewable energy generators from biomass.

“In 2011/12, our eight cogeneration plants in Australia produced nearly 2 per cent of the Renewable Energy Target for 2013,” says Dr Carroll.

The company is also making enormous strides in its production of BioEthanol.

“We produced 42 million litres of BioEthanol in 2011/12,” says Dr Carroll, “and this produces less than half the CO₂ emissions of petrol.”

One of the advantages of this method of fuel production is that the distillation of molasses used for the fuel does not create competition for a stable food source.

SAI Platform member Fonterra, who collects 1.6 billion litres of milk in Australia each year, is another company looking to lessen its reliance on fossil fuels.



Most of Fonterra's 1,300 farms operate from a coal fired electricity grid so any energy savings bring significant reductions in greenhouse gas emissions. Dairy farms use energy for heating wash up water, pumping and chilling milk. Analysis from SAI Platform member Fonterra suggests the average farm can reduce energy related emissions in dairy sheds by over 10 per cent for little capital costs.

Fertiliser costs are the second largest variable cost on dairy farms according to Victorian farm surveys, and Fonterra's own supplier surveys also show that rising energy costs are one of the biggest cost concerns for farmers.

Managing these inputs efficiently requires experience and skills that many farmers do not have. Fonterra saw an opportunity to give its farmers greater access to this expertise in a way that reduced costs or increased milk production while protecting the environment.

Fonterra saw value in providing these specialist skills at a reduced cost to farmers.

“We know our farmers are sceptical of many service providers so they look to us for trusted advice,” says Fonterra's Sustainability and Social Responsibility Manager, Jack Holden.

“We also have the ability to reduce some of the risk of new services that individual farmers may be initially reluctant to do.”

