Guidelines for Sustainable Agriculture Supply Chains
of SAI Platform – Australia Inc

November 2013

This document outlines the Guidelines for Sustainable Agriculture Supply Chains endorsed by the SAI Platform – Australia to guide Platform activities and those of members.

PURPOSE OF THESE GUIDELINES FOR SUSTAINABLE AGRICULTURE SUPPLY CHAINS

Definition: *"Sustainable Agriculture is a productive, competitive and efficient way to produce safe agricultural products, while at the same time protecting and improving the natural environment and social/economic conditions of local communities."(SAI Global Platform: http://www.saiplatform.org/sustainable-agriculture/definition).*

The SAI Platform is a uniquely positioned association with members from across the agricultural, food and beverage supply chain. It is voluntary and independent and focused on achieving sustainability within the food and beverage sector.

This document details the Guidelines for Sustainable Agriculture Supply Chains endorsed by the SAI Platform – Australia Inc.

There are three pillars of sustainability (environment, social and economic) that need to be considered as a complete package; responding to one or two of these dimensions is unlikely to achieve the desired results. The document details guidelines under each pillar and includes the context for each guideline to illustrate the intention for members. These Guidelines for Sustainable Agriculture Supply Chains build on the sustainability principles established by the Global SAI Platform. The Guidelines for Sustainable Agriculture Supply Chains in this document take into consideration Australian conditions, risks and challenges, natural systems and Australian regulations. They also guide internationally sourced products and operations of member organisations.
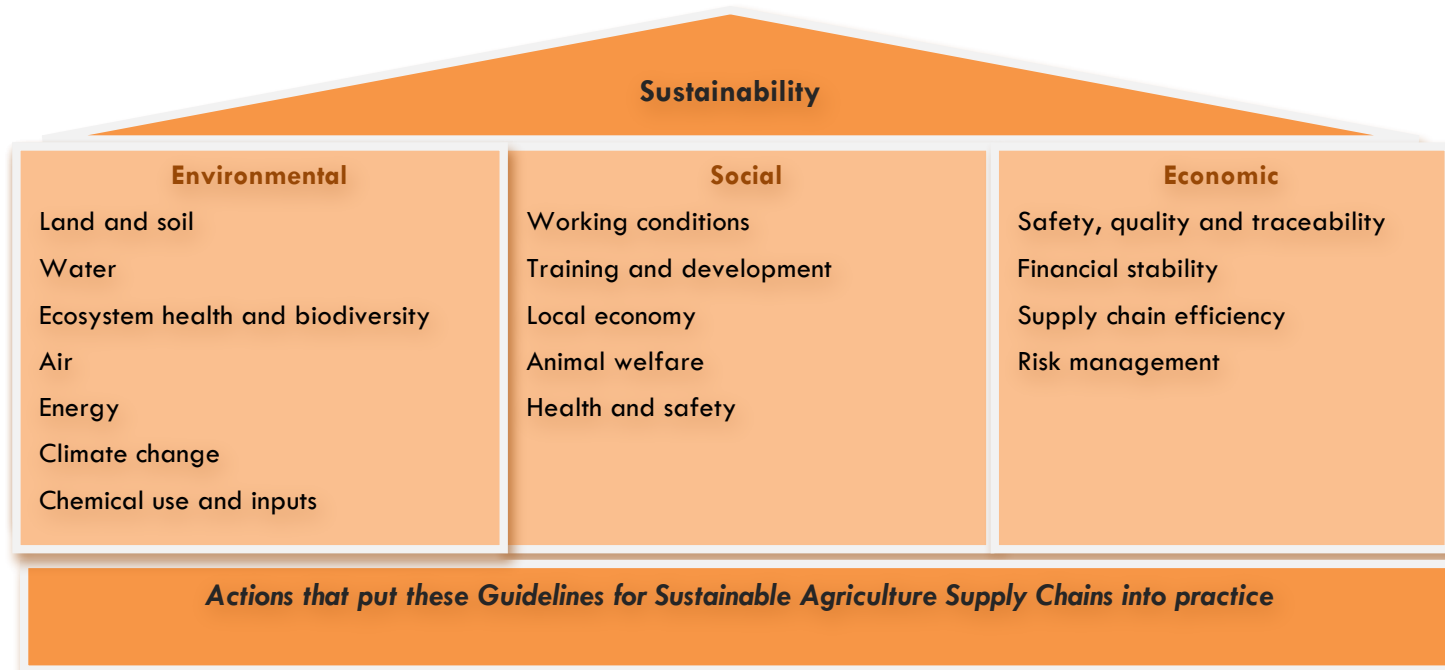
These Guidelines for Sustainable Agriculture Supply Chains provide a guide for the Platform and its members in the activities they undertake as a group, and within their individual organisations respectively. New members will be asked to agree to be guided by these Guidelines for Sustainable Agriculture Supply Chains to be eligible to be members of the Platform. It is acknowledged that some Guidelines for Sustainable Agriculture Supply Chains will not be relevant to all members.

These Guidelines for Sustainable Agriculture Supply Chains will be reviewed and updated annually to ensure they continue to be relevant to today's circumstances and are responsive to emerging risks and trends.

The framework:

1. **Pillars**: refer to the *group of management areas* related to social (people), economic (profit) and environmental (planet).

2. **Item**: refers to an *object of management.*

3. **Guidelines**: are statements of intent to guide the Platform and member actions

SAI Platform Australia Guidelines for Sustainable Agriculture Supply Chains

Sustainability

Environmental	**Social**	**Economic**
Land and soil	Working conditions	Safety, quality and traceability
Water	Training and development	Financial stability
Ecosystem health and biodiversity	Local economy	Supply chain efficiency
Air	Animal welfare	Risk management
Energy	Health and safety	
Climate change		
Chemical use and inputs		

Actions that put these Guidelines for Sustainable Agriculture Supply Chains into practice

Snapshot of the SAI Platform Australia's Guidelines for Sustainable Agriculture Supply Chains

Pillar	Item	Guideline
Environmental sustainability	Land and soil	ENV1. Encourage practices that continuously improve soil health and fertility
		ENV2. Encourage sustainable land management practices
	Water	ENV3. Enhance water use efficiency taking into consideration the highly variable supply and availability of water in Australia
		ENV4. Encourage practices whereby the release of water, from all components of the agricultural, food and beverage supply chain, does not negatively impact on surrounding environment and ecosystems
		ENV5. Encourage practices such that water extraction and use does not negatively impacting on the functioning of the natural ecosystems and social wellbeing
	Ecosystem Health and Biodiversity	ENV6. Contribute to enhancing ecosystem health at all stages of the agricultural, food and beverage supply chain
	Air	ENV7. Reduce negative impacts on air quality from the agricultural, food and beverage supply chain
	Climate change	ENV8. Minimise actions that adversely impact on global climate change
		ENV9. Support and encourage practices which allow farmers and other supply chain participants to adapt to climate change
	Energy	ENV10. Enhance the efficient use of energy
	Waste	ENV11. Identify and implement ways to reduce waste across all areas of the agricultural, food and beverage supply chain
		ENV12. Encourage higher order end use of all waste materials
	Chemical usage/ inputs	ENV13. Optimise chemical usage and apply safely
		ENV 14. Optimise nutrient and fertiliser usage
Social Sustainability	Working Conditions	SOC1. Adopt freedom of association and recognition of the right to collective bargaining
		SOC2. Eliminate all forms of forced or compulsory labour
		SOC3. Effective abolition of child labour

Pillar	Item	Guideline
		SOC4. Eliminate discrimination in respect of employment and occupation
	Training and development	SOC5. Encourage training and development of sustainable agricultural practices for all employees and workers in the agricultural, food and beverage supply chain SOC6. Support initiatives that encourage people, particularly the young, to seek a vocation in the agricultural, food and beverage supply chain
	Local economy	SOC7. Play a positive role in providing economic and social benefits to local communities
	Animal welfare	SOC8. Promote and protect the welfare of all animals through the development and adoption of sound animal welfare standards and practices
	Health and Safety	SOC9. Support the continuous improvement of health and safety standards to enhance the safety and wellbeing of workers in the agricultural, food and beverage supply chain.
		SOC10. Support initiatives that help individuals and communities improve their health and wellbeing caused by pressures from changes in agricultural production methods, market conditions, climate, natural disasters or other events
Economic Sustainability	Safety, quality and traceability	EC1 Ensure the safety, quality and traceability of products throughout the agricultural, food and beverage supply chain
	Financial stability	EC2. Seek to achieve long-term financial health of the agricultural, food and beverage supply chain
	Supply chain efficiency	EC3. Support efficient supply chains to maximise market opportunities
	Risk management	EC4. Seek to encourage improved risk management across the agricultural, food and beverage supply chain

1) Environmental Sustainability

Natural resources and the environment provide the foundations for primary production and a range of services for our communities. Environmental sustainability in this context refers to the actual and perceived impact the food and beverage sector is having on the environment. The long term intention is to establish sustainable food production systems by:

- Ensuring the underlying productive resources are maintained or improved for posterity by minimising the negative impact of the practices of the agricultural, food and beverage industries.

- Moving resource use to a sustainable basis taking into account the finite nature of many inputs.

- Supporting the implementation of production systems that can adapt, as a result of global warming, to the changing climatic conditions.

Factors relating to environmental sustainability for Australian circumstances include land and soil management, water access and quality, maintaining healthy natural ecosystems, minimising negative impacts on air quality, using energy responsibly and applying chemicals and nutrients safely and appropriately.

Continuous improvement is an underlying theme for all the sustainability Guidelines for Sustainable Agriculture Supply Chains adopted. Knowledge about how natural systems function and the impacts of humans on these systems are improving and so too are the practices, infrastructure and technology that enables effective responses. Through continuous improvement, the SAI Platform Australia members aspire to demonstrate leadership in developing and adopting improved practices and improved technologies to ensure long term environmental sustainability of Australian agriculture for future generations.

ITEMS	GUIDELINE	CONTEXT
Land and soil	ENV1. Encourage practices that continuously improve soil health and fertility	Land and soil degradation, driven by natural causes and from human induced changes, is a significant challenge in Australia, which has the potential to impact on the productive capacity of the land and the health of natural ecosystems. These Guidelines for Sustainable Agriculture Supply Chains encourage landholders and managers to actively play a stewardship role in maintaining and improving soil condition and health to ensure maintenance of this vital productive resource for the benefit of current Encourage practices whereby the release of water, from all components of the agricultural, food and beverage supply chain, does not negatively impact on surrounding environment and ecosystems and future generations.
	ENV2. Encourage sustainable land management practices	
		Practices appropriate to manage and improve soil health differ geographically and according to production systems. Landholders are encouraged to continuously improve their approach to managing their soils through

ITEMS	GUIDELINE	CONTEXT
		adopting improved practices and new techniques or technologies that are relevant to their circumstances and the best practices promoted by their industry.
Water	ENV3. Encourage water use efficiency taking into consideration the highly variable supply and availability of water in Australia	Australia faces significant challenges to water availability. Governments have responded by introducing regulations about how water is to be accessed and shared across competing needs (production, the environment and broader services). All participants are expected to abide by these water management approaches, which are customised at catchment scales.
	ENV4. Encourage practices whereby the release of water, from all components of the agricultural, food and beverage supply chain, does not negatively impact on surrounding environment and ecosystems	This principle encourages SAI Platform Australia members to actively develop and adopt practices and technologies that enhance water efficiency to ensure food production activities meet the needs of production and the ecosystem today and in the future.
	ENV5. Encourage practices such that water extraction and use does not negatively impact on the functioning of the natural ecosystems and social wellbeing	In addition to water efficiency, participants of the agricultural, food and beverage supply chain are encouraged to monitor and manage their impacts on water quality and reduce any negative impacts that may be identified. There are regulations regarding pollution to water ways and natural environments that all participants must adhere to practice business in Australia.
Ecosystem Health and Biodiversity	ENV6. Contribute to enhancing ecosystem health at all stages of the agricultural, food and beverage supply chain	Natural ecosystem services underpin the environment, communities and production. These Guidelines for Sustainable Agriculture Supply Chains encourage participants of the agricultural, food and beverage supply chain to continue to be stewards of the natural system to maintain the functioning of these systems for future generations.

Australia has national legislation (EPBC Act) that requires the protection and effective management of nationally and internationally important flora, fauna, ecological communities and heritage places. This legislation particularly applies when there is a plan for a changed land use requiring an assessment of the impacts of the land use. These and other jurisdiction regulations must be adhered to by all SAI Platform Australia members participating in the agricultural, food and beverage supply chain. |
| **Air** | ENV7. Reduce negative impacts on air quality from the agricultural, food and beverage supply chain | Australia has air quality regulations that determine minimum standards that must be achieved to practice business. State based environmental protection agencies monitor and enforce these requirements.

Most business operations have minimum standards built into best management practice operations. This principle encourages businesses across the agricultural, food and beverage supply chain to continuously monitor their air pollution impacts and where required improve these into the future. Businesses are encouraged to continuously improve their approach to managing their air quality through adopting improved practices and new techniques or technologies that are relevant to their circumstances and the best practices promoted by their industry. |

ITEMS	GUIDELINE	CONTEXT
Climate change	ENV8. Minimise actions that adversely impact on global climate change	These Guidelines for Sustainable Agriculture Supply Chains seek SAI Platform Australia members to reduce their greenhouse gas emissions through adoption of improved practices, technology or other options that become available to reduce emissions. The requirements to reduce greenhouse gas emissions are specific to production systems. SAI Platform Australia members are encouraged to adopt appropriate practices for their industry to reduce greenhouse gas emissions. Where possible, SAI Platform Australia members will cooperate to transparently engage consumers and other stakeholders in disseminating information on climate change as it affects economic, social and environmental sustainability
	ENV9. Support and encourage practices which allow farmers and other supply chain participants to adapt to climate change	
		It is acknowledged that there are likely inevitable impacts that will be caused by climate change. This principle seeks participants of the agricultural, food and beverage chain to consider how climate change is likely to impact on their business and build in risk management approaches and adapt where possible to minimise the negative consequences of these impacts to the business, communities and natural systems.
Energy	ENV10. Enhance the efficient of use of energy	To produce food and beverage products from farm to market, there is dependence on traditional fuels, such as coal, gas petrol and diesel. These traditional fuel resources are declining, their demand and price are steadily increasing, and they have significant environmental impacts. Australian primary production is increasingly 'energy exposed'. This principle encourages SAI Platform Australia members to improve their efficient use of energy through improved innovative practices and technology advancements.
Waste	ENV11. Identify ways to reduce waste across all areas of the agricultural, food and beverage supply chain	Wastage across all areas of the agricultural, food and beverage supply chain can create environmental impacts. This principle encourages SAI Platform Australia members to identify ways to reduce wastage and where possible use waste for other purposes.
	ENV12. Encourage higher order end use of all waste materials	
Chemical safety and use	ENV13. Optimise chemical usage and apply safely	Use only registered chemical according to the label, applying Integrated Pest Management Guidelines for Sustainable Agriculture Supply Chains including economic threshold level (ETL) treatments, using a mix of management practices including selection of resistant varieties, alternation of resistant crop varieties, natural and introduced biological products and alternation of targeted selective and low impact chemistry.
	EVN14. Optimise nutrient and fertiliser usage	Australian primary production requires considerable nutrient inputs in the form of fertilisers and chemicals for pest and disease control. Best management practice is used to optimise the efficiency of fertiliser use, ensure the most efficient use of nutrients and fertiliser, and where possible preference is given to sustainable use of fertilisers, from both a resource utilisation and energy input standpoint that support cropping systems that provide economic, social and environmental benefits.
		Where possible, sector farming enterprises should develop a Nutrient Management Plan (NMP) to reduce nutrient loss to the environment. A NMP encompasses regular soil sampling, soil analysis, zoned profiling and

ITEMS	GUIDELINE	CONTEXT
		mapping of the farm. Coupled with a nutrient budget and referencing overall farm goals an activated NMP will reduce nutrient run-off from the farm boundary.

2)   Social Sustainability

Social sustainability refers to the role the food and beverage sector play in contributing to communities, cultures, health, animal welfare and people capacity. It encompasses working conditions and requirements, physical and mental health of participants in the agricultural, food and beverage supply chain and skill and capacity enhancement. Australian agriculture is facing key social sustainability challenges in terms of the availability of skilled and unskilled agricultural workers and the physical and mental health of its rural communities. The members of SAI Platform Australia are in a position to support efforts to address these issues.

ITEMS	GUIDELINE	CONTEXT
Working conditions	SOC1. Adopt freedom of association and the effective recognition of the right to collective bargaining	The SAI Platform Australia members adopt the International Labour Organization's fundamental principles and rights at work. These have been developed with a range of international participants and adopted by businesses within Australia. It is recognised that the Global SAI Platform principles were generated for countries where work conditions were not regulated and in some cases not fair. In Australia, there are national laws that ensure minimum standards for all workers which are required to be adhered to. These laws mean that all businesses practicing in Australia would achieve the Guidelines for Sustainable Agriculture Supply Chains noted here.
	SOC2. Eliminate all forms of forced or compulsory labour	
	SOC3. Effective abolition of child labour	
	SOC4. Elimination of discrimination in respect of employment and occupation	
Training and development	SOC5. Encourage training and development of sustainable agricultural practices for all employees and workers in the agricultural, food and beverage supply chain	Keeping abreast of new practices and options in areas of sustainable agriculture is important for businesses to achieve sustainability across the three dimensions identified here – environmental, social and economic. Training, development and capacity building can be achieved through many avenues and need to be customised to the individual and relevant businesses' needs. SAI Platform Australia members encourage customised education and training of participants across the agricultural, food and beverage supply chain. Training and development should not be seen as a one off task rather something to continuously work on to enhance capacity of the sector to be responsive to change, environmentally conscientious and to be profitable and viable businesses. The members of SAI Platform Australia will cooperate to support programs that encourage people to enter the agricultural, food beverage industries, at all parts of the supply chain, and at all levels of education. SAI Platform Australia members will support programs that portray the industry as a growing and exciting one, especially for young people, that is vital to national food security and will meet current and future needs.
	SOC6. Support initiatives that encourage people, particularly the young, to seek a vocation in the agricultural, food and beverage supply chain	

ITEMS	GUIDELINE	CONTEXT
Local economy	SOC7. Play a positive role in providing economic benefits to local communities	It is acknowledged that the food and beverage sector plays an active role in many communities through providing sustained revenue to producers, employing people, and purchasing of services. The SAI Platform Australia members aspire to play positive roles in their respective communities, contributing to social responsibilities within these communities. . This includes, but is not limited to, understanding the impact of the SAI Platform Australia members' operations on local communities and mitigating any negative impacts, supporting local communities through initiatives and programs that promote community wellbeing and supporting local communities in times of natural disaster.
Animal Welfare	SOC8. Promote and protect the welfare of all animals through the development and adoption of sound animal welfare standards and practices	The commonly accepted assessment of animal welfare are the Five Freedoms, which state that farm animals should have: freedom from thirst, hunger and malnutrition, freedom from discomfit, freedom from pain, injury and disease, freedom to express normal behaviour and freedom from fear and distress. These freedoms encourage farmers to play an active role in the welfare of their animals; farmers should also be competent and well trained.

Animal welfare and standards are regulated in Australia. SAI Platform Australia members take the responsibility of animal welfare seriously and are committed to high standards and sustainable improvements in animal welfare based on scientific evidence and social, economic and ethical considerations. |
| **Health and Safety** | SOC9. Support the continuous improvement of work health and safety standards to enhance the safety of workers in the agricultural, food and beverage supply chain. | There are laws that govern how organisations will ensure the health and safety of workers in the work place. The SAI Platform Australia members encourage their businesses and supply chains to continuously improve their systems of work and ensure that best practices are adopted to reduce the risk of harm to workers to a level as low as practicable

It is recognised that the health and safety of people working in the rural industries, particularly farmers, is below national standards. The members of SAI Platform Australia are committed to identify and where possible, actively support programs aimed at improving the health and safety of people working in the agriculture sector so the industry meets the health standards of the community as a whole.,. In general it is recognised that ensuring a robust understanding of workplace risks will underpin these improvements |
| | SOC10. Support initiatives that help individuals and communities' improve their health and wellbeing caused by pressures from changes in market conditions, climate, natural disasters or other events | The SAI Platform Australia members acknowledge that members of rural Australia and the agricultural sector are increasingly suffering mental health challenges resulting in part from pressures facing the sector. Mental health of people in rural Australia is well below the national standard. SAI Platform Australia members are committed to identifying and supporting initiatives that can play a positive role in helping reduce mental health problems and their impacts on families and communities. |

3) Economic Sustainability

Economic sustainability refers to the food and beverage sector's ability to continue to operate profitably indefinitely. This applies across all areas of the agricultural, food and beverage supply chain. Key areas considered important for economic sustainability Guidelines for Sustainable Agriculture Supply Chains include the safety and quality of products, financial health and stability, supply chain efficiency and good risk management practices are incorporated into business activities. The members of SAI Platform Australia are in a key position to communicate the costs and benefits of sustainable practices to consumers so that these practices are appropriately recognised and rewarded by the marketplace and society more broadly.

ITEMS	GUIDELINE	CONTEXT
Safety, quality and traceability	EC1 Ensure the safety, quality and traceability of products throughout the agricultural, food and beverage supply chain	There is a range of Australian regulations that govern safety, quality and in some circumstances traceability of agricultural products. These are adhered to as part of normal business practice for all SAI Platform Australia members and their supply chains. Food safety is a critical issue for many agricultural industries. Consumers expect high standards in agricultural product safety and quality, and agricultural industries and businesses that are not up to standard will inevitably suffer on both in the domestic markets and in export markets. This principle encourages SAI Platform Australia members' agricultural production and food and beverage supply chains to actively incorporate and update practices that result in improved food safety and quality, transparency and traceability of the products production, processing and transportation. For Australian circumstances, the use of the word traceability has been incorporated as this best reflects the trend and directions for enhancing consumer and community confidence required for sustainable agriculture products.
Financial health	EC2. Seek to achieve long-term financial health of the agricultural, food and beverage supply chain	Achieving long term financial health across the agricultural, food and beverage supply chain requires a robust market for the products being produced and that returns to the agricultural, food and beverage supply chain activities are competitive compared with alterative uses of scarce resources. The market must pass correct signals of the cost of sustainability to consumers so they can make informed decisions when purchasing products. With correct sustainability signals along the value chain, value will automatically be generated and shared. SAI Platform Australia members are in a key position to communicate the costs and benefits of sustainable practices to consumers so that these practices are appropriately recognised and rewarded by the marketplace and society more broadly. SAI Platform Australia members also recognise that a key driver of sustainable financial health is the adoption of more efficient production techniques, which contribute to increasing yields and / or reducing unit costs per kg or ha.

ITEMS	GUIDELINE	CONTEXT
		The members of the SAI Platform Australia therefore are committed to evaluate and support viable new technologies for agriculture production that help make it sustainable over the long term.
Supply chain efficiency	EC3. Support efficient supply chains to maximise market opportunities	Efficient supply chains play a role in achieving profits. This principle supports SAI Platform Australia members to identify ways to improve efficiency which may include: improving communication along the value chain, build capacity and codes of practice along the chain, improving the efficiency of the chain including infrastructure, enhancing the capacity of the chain to service market needs
Risk management	EC4. Seek to encourage improved risk management across the agricultural, food and beverage supply chain	Risk management can be undertaken at a farm level, at various component levels or across the whole supply chain for agricultural products. This principle encourages SAI Platform Australia members to actively scan for potential detrimental shocks that may occur within their sector or across sectors. Events such as drought, insect or disease infestations, changes in market access and declines in market prices for products, weed or animal pest outbreaks are all potential shocks that may have significant implications for the economic performance of a business.

The principle also encourages businesses, - where necessary and appropriate, to diversify to spread their risks and create economic benefits. |