

Sustainable Food Production

Enhancing value beyond certification



Enough food for everyone?

Demand for food is growing, fueled by population growth coupled with dietary shifts towards higher meat consumption. But challenges abound, including:

- decreasing availability of land & fresh water
- competition from other types of land use, e.g. urban development, forestry, or mining
- climate change
- agricultural pests and diseases
- fluctuating energy prices
- genetically modified organism (GMO)
- increasingly consolidated supply chains of food commodities
- increased scrutiny regarding sustainability issues along the supply chain



In 2050, global population will reach 9.1 billion; between 2009-2050, global agricultural production will need to grow by **70%**. (FAO)

What are the issues?

- Greenhouse gases (GHG) emissions from land use change (LUC) ruminants, paddy fields, untreated farm wastes, etc.
- Contaminations from chemicals use, i.e. fertilizers, pesticides, herbicides
- Soil degradation in forms of erosion, salinisation, acidification, desertification
- Excessive water use, water contamination and eutrophication
- Invasive alien species



- Forest & biodiversity loss due to expansion
- GHG emissions from deforestation and peat land drainage
- Land disputes

- Labor management
- Energy-intensive processes
- Processing waste

While agriculture today produces more than enough food to feed everyone on earth, a third of it is lost or wasted throughout the supply chain, from initial agricultural production down to final household consumption. (FAO)

Tackling the Issues through Sustainable Agriculture

What is sustainable agriculture?

Sustainable agriculture is resource efficient, improves environmental quality, provides for basic human food needs, enhances the quality of life for farmers and society, and is economically viable (UNGC).

It produces abundant agricultural & commodity products without depleting the earth's resources or adversely affecting the ecosystem.

Why go sustainable?

- preserve your assets, especially soil and water sources
- minimise and mitigate work-related health issues*
- increase productivity and business processes' efficiency
- reduce costs
- improve relationships with employees and surrounding communities

*) According to the ILO, agriculture, along with mining and construction, are the most hazardous occupations.

Benefits beyond certification

Certified produce carries a premium and secures demand. But the benefits of certification extend beyond those two tangible financial benefits:

- ✓ Improved know-how and skills of staff, thus improving productivity and reducing costs, waste, and incidents
- ✓ Improved understanding of the current market and competitors, potential markets, and emerging trends
- ✓ Identification and management of potential risks
- ✓ Increased organisational focus
- ✓ Increased staff morale through the common purpose 'to do good'
- ✓ Protected social licence to operate
- ✓ Better relationship with clients and customers
- ✓ Strengthened brand
- ✓ Greater financial resilience
- ✓ Increased access to funding



Sustainability certification

There are a growing number of initiatives and standards regarding sustainable agriculture. Many of those initiatives focus on good agricultural practices, which improve productivity and reduce the need for farm expansion.



Key strategic concerns around sustainable food production:

- Do you understand the sustainability trends, issues, and risks that may affect agriculture businesses, including your business?
- Do you understand who your customers and end users of your products are, and also their expectations?
- Do you understand how the sustainability trends may affect your current and future customers?
- Do you understand who your key stakeholders are that may be interested in your sustainability issues?
- Do you understand what the regulations and standards related to sustainability that you need to adhere to are?
- Do you have a systematic approach to communicate your sustainability performance to your key stakeholders?

Our part in your sustainability journey

PwC global network sustainability and climate change teams across the world deliver quality services in collaboration with multiple territories, industry expertise, and other core capabilities within PwC firms, such as strategy or valuation, across key issues such as international development, climate change, green growth, sustainable finance and resource scarcity.

How PwC Indonesia can help you

Using our network, we can support you in:

- mapping sustainability issues, assessing risk to your business generating, assessing, or aligning your sustainability strategies to make the most of your sustainability initiatives.
- identifying which sustainability standards you may want to conform to, based on your needs, goals, market perceptions.
- performing a gap analysis between your current business operations and the performance criteria of relevant standards.
- providing recommendations on how you can fill the gaps on prioritised issues.
- assisting you in standards implementation to improve your business.

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