

Sustainable Food Production

Creating value beyond certification



Food for thought

Demand for food is growing - fueled by population growth coupled with increasing meat consumption - necessitating more land to produce each unit of food. This brings many challenges, including:

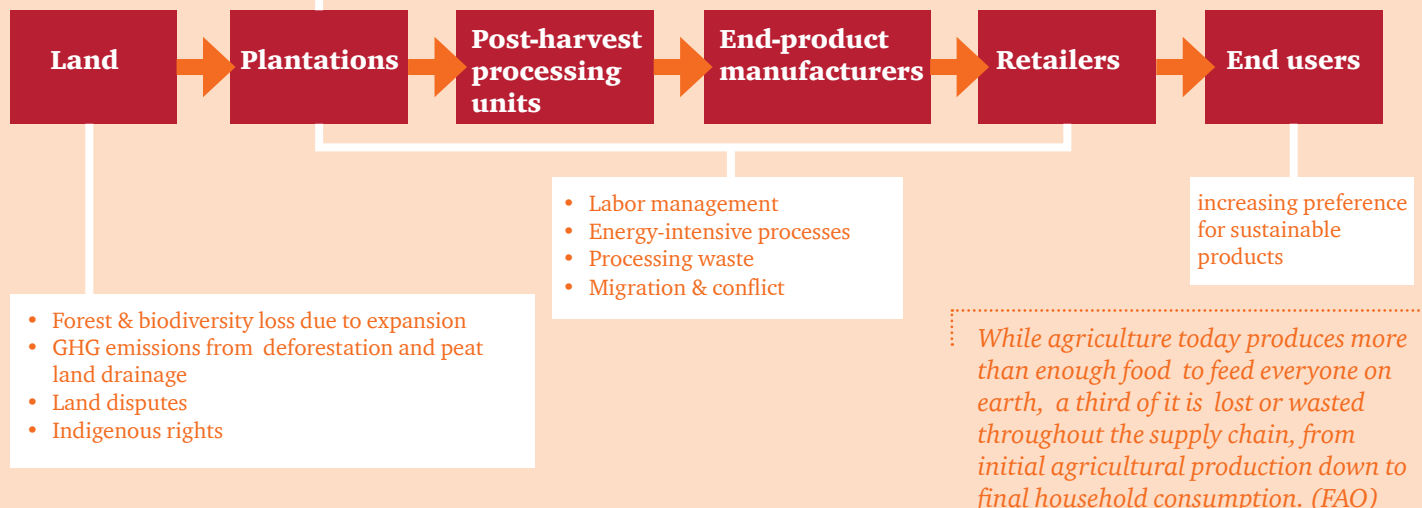
- decreasing availability of land & fresh water
- competition from other types of land use, e.g. urban development, forestry, or mining
- climate change
- agricultural pests and diseases
- fluctuating energy prices
- genetically modified organism (GMO)
- increasingly consolidated supply chains of food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



In 2050, the 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 chemical use, i.e. fertilizers, pesticides, herbicides
- Soil degradation in the form of erosion, salinisation, acidification, desertification
- Excessive water use leading to localised shortages, water contamination and eutrophication
- Invasive alien species



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.

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

Why go sustainable?

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

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

Benefits beyond certification

Certified produce may carry a premium and help secure contracts. But the benefits of certification extend beyond those two tangible financial benefits:

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

- regulations and standards related to sustainability that you need to adhere to
- sustainability trends, issues, and risks that may affect agricultural business, including your business
- the probable effects of future sustainability trends to your markets
- the expectations of your customers and end users of your products
- key stakeholders that are, or may be, interested in your sustainability issues
- how to put in place a systematic approach to communicate your sustainability performance to your key stakeholders.

PwC's 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. These strategies include 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, and aligning sustainability strategy to make the most of your sustainability initiatives.
- identifying which sustainability standards you may want to conform to, based on your needs, goals and market requirements.
- 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.

Contacts: Rob Daniel
T: +62 21 5212901 ext. 90897
rob.daniel@id.pwc.com

Moray Mcleish
T: +62 21 5212901 ext. 71000
moray.mcleish@id.pwc.com

Prabandari Murti
T: +62 21 5212901 ext. 90921
prabandari.murti@id.pwc.com

www.pwc.com/id/s&cc