

Sustainability 101

What it Means to Your Food Business



How do we feed the world as populations grow and resources like water and energy become scarcer? How can we do more with less? How do we, as food companies, contribute to being good global citizens? Sustainability has become the movement of our time, and companies will be forever transformed by how well they rise to the occasion.

What is Sustainability in Food Production?

Sustainable food production means that your processes:

- conserve energy and natural resources;
- are good for the environment;
- are humane to livestock; and
- are safe for employees and communities.

Sustainable food processors source sustainable ingredients, and consider packaging, food waste, transportation and transparency in their operations. In short, sustainability is the ability to exist and develop without depleting natural resources for the future.

Why Should You Care?

Increasingly, consumers are demanding greater transparency, accountability and responsibility from food suppliers, which is trickling across the supply chain from retailers to processors, and finally, to agricultural producers. In fact, 70 per cent of consumers indicated that sustainability in their food production was important.

Companies that embrace sustainability, can capitalize on current trends, and gain a decided competitive marketing advantage.

Many large multi-national retailers have publicly committed to lofty future sustainability goals that include:

- reducing or eliminating food waste;
- using more compostable or recycled packaging material;
- reducing their carbon footprint or achieving “net zero,” and
- sourcing sustainably produced products.

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How Can I Get Started?

It can seem overwhelming, but there are a few key steps in getting started.

1. Green Mission Statement

- Most companies have a mission statement. You might consider looking at your mission statement through a sustainability lens, and update it to reflect that principle.

2. Create your Team

- If you are serious about sustainability, engage like-minded staff to lead the program and look at green innovation.

3. Create a Plan

- Along with your team, create a plan to implement and monitor the progress of your sustainability goals. Start small, with easily obtainable wins to generate excitement and buy-in from staff.

Knowing your target consumers and/or retailers, and even your competitors, can help you be more strategic when identifying activities of focus around sustainability. Knowing their values can help processors hone in on the most advantageous priorities and strategies. Food processors who align themselves with these values, will find themselves in a position to leverage this opportunity and increase sales and market share. By reviewing internal procurement and production processes now, food companies can better position themselves to be ready to embrace these opportunities later.

Processors who are looking to reduce their environmental footprint should have their sustainability team consider factors such as electricity usage, emissions, inefficiencies, food loss or waste, and look to compostable, recyclable or reusable packaging. Companies should also review their procurement processes and look for partners who share these same values.

Environmental Footprint

Looking at your entire value chain will not only make your business more sustainable, but reducing inefficiencies, loss and waste from within your operation, can also help the bottom line.

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- **Production processes** – Consider your processing and packaging equipment, your processes, and overall facility (e.g., lighting, equipment, waste disposal, washrooms, kitchen) and look for ways to reduce your water or energy usage and other inefficiencies.
- **Shipping and Logistics** – Look at the transportation of your inputs and outbound product. Can you source inputs closer to home? Can you have your ingredients packaged more efficiently to achieve shipping efficiencies (e.g., more per pallet)? Can you ship your finished goods more efficiently (e.g., larger volumes, less shipments)?
- **Sourcing** – Are your ingredients produced in a sustainable way? Can you look for alternate suppliers who practice regenerative agriculture or other green practices?

Food Waste

In Canada, it is estimated that one third of food produced is never consumed. In fact, 4.8 million tonnes of food, worth \$21 billion, is wasted during the manufacturing process each year. Many large retailers have committed to reducing food waste at their level by 50 per cent by 2025.

Co-product or by-product utilization is one way to reduce waste, divert waste from landfills, all while adding value to a waste product and developing an additional income stream.

Review your processes to determine where food waste is occurring and what steps you can implement to reduce it. Not only will this impact your sustainability score, but your profitability will increase in kind.

Packaging

Your packaging cannot only be better for the environment, but also, an effective marketing tool. Green, eco-friendly, home compostable, recyclable or reusable packaging can help sell your product, and differentiate you from the competition.

Food processors should review their packaging and seek innovative solutions to reduce their carbon footprint. Look for packaging material that is truly recyclable, compostable or plant-based. Beware of packaging products that make deceptive or misleading claims. You might also consider revamped packaging with less waste material or lighter weight packaging. The concept of edible packaging is also gaining traction, and early adopters may find this a unique, competitive advantage.

Eco-conscious consumers are happy to pay a premium for green packaging, and may choose your product over another similar product with traditional packaging. Retailers are also beginning to make demands on their suppliers to provide eco-friendly packaging options, to meet their own net zero targets.

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Regulatory

Regulatory and governance factors differ in each jurisdiction, and can be the catalyst in working towards a more sustainable economy. Many jurisdictions are ahead of Canada in terms of animal welfare and waste reduction and sustainability requirements and policies. To be competitive, Canadian food producers and processors must confront these market barriers in order to meet consumer expectations, both at home and abroad.

Social Responsibility

Socially-conscious consumers are voting with their wallets more than ever. When making food and beverage purchases, consumers want to know that your product is not only good for them, but good for animals, employees and communities.

Human rights and labour conditions are becoming increasingly important to consumers when they consider the food that they purchase. The Fair Trade movement, for example, has increased in popularity, and consumers are willing to pay more for food that is produced by companies who treat employees with dignity and respect.

Consumers are also demanding that companies meet better standards in animal welfare. Companies who make animal welfare claims about their products have seen their sales rise considerably.

Consumer interest in food that is better for human health, for animals, for workers, and for the environment, is growing. As retailers, food companies and governments alike set sustainability targets, companies that incorporate social responsibility into their brands will be rewarded with customer loyalty and increased sales, while meeting existing and future regulatory requirements. Telling your story of sustainability can help grow your business and sales, while enhancing your image as a responsible corporate and global citizen.

Manitoba Agriculture can help you build your future in food. Our business development specialists offer consulting, pathfinding services, training and resources that will help you manage and grow your business.

Get support every step of the way.

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