

EDF's Sustainable Sourcing Initiative



Eileen McLellan, Senior Scientist

Agriculture: a global challenge



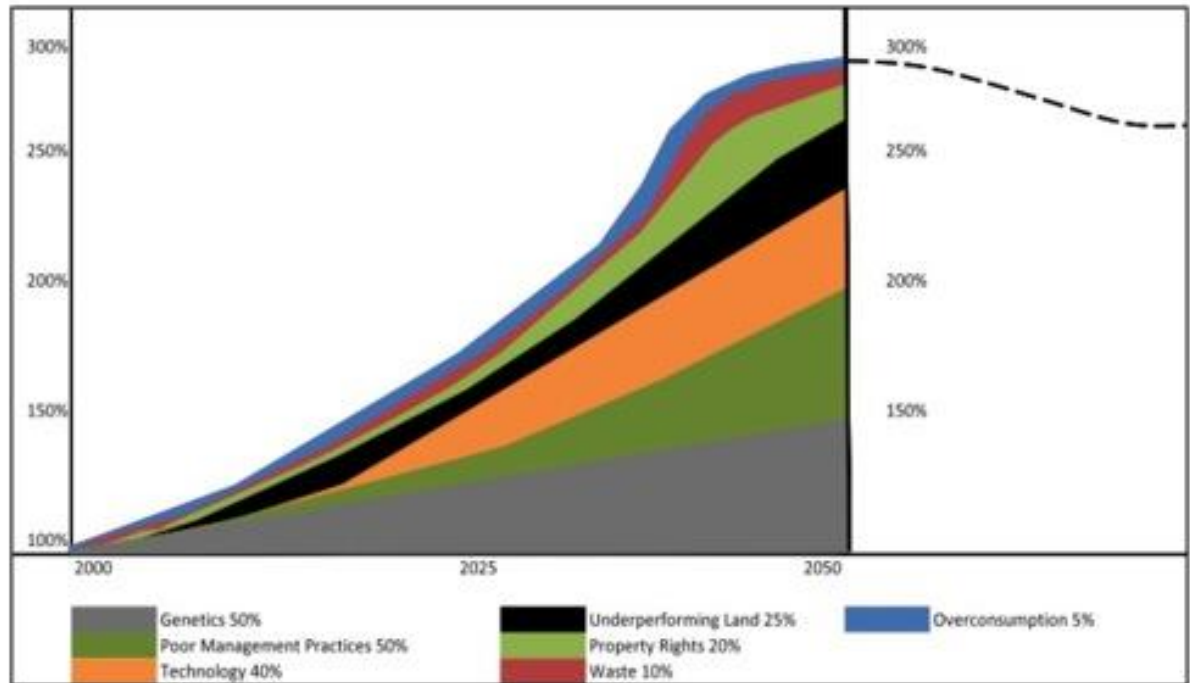
A major contributor of pollutants to air and water

- GHGs, especially N_2O
- Dead zones
- Degraded lakes and rivers

A major cause of land conversion

- Forests
- Wetlands

Freezing the Footprint of Agriculture
How we can triple food production on the same amount of land by 2050



FARMLAND AUCTION

TUESDAY, SEPTEMBER 24 AT 10:00AM

AT IZAAK WILTON LAKE MILLS

22,
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LAKE
V/L

ON TOTAL
LOSING ON
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D TO SELL

THIS FARM! FARM SOLD AS IS. ALL ACRES AND CSR RATINGS APPROX. ALL ANNOUNCEMENTS MADE DAY OF SALE TAKE PRECEDENCE. CALL FOR MORE INFORMATION AND/OR A SALES PACKET.

RINGMEN:

JEREMY GRAY, SHAUN THOMPSON,
CHRIS NYGUARD & COL. GORDON E. TAYLOR
READY FOR YOU TO FARM FOR 2014!

SELLERS: DOROTHY FABER TRUST
DENNIS FABER, TRUSTEE

AUCTIONEER:

MARK A. NEWMAN

641-585-5043 | 641-425-6003

www.newmanlawoffice.net



Do we have to choose between a healthy planet, ending hunger, and profitable farms?

\$8,600



Finding the ways that work...

Improved fertilizer
management

Improved soil and
water
management

Watershed
restoration

To improve:

Water Quality

Climate Stability

Crop Yields

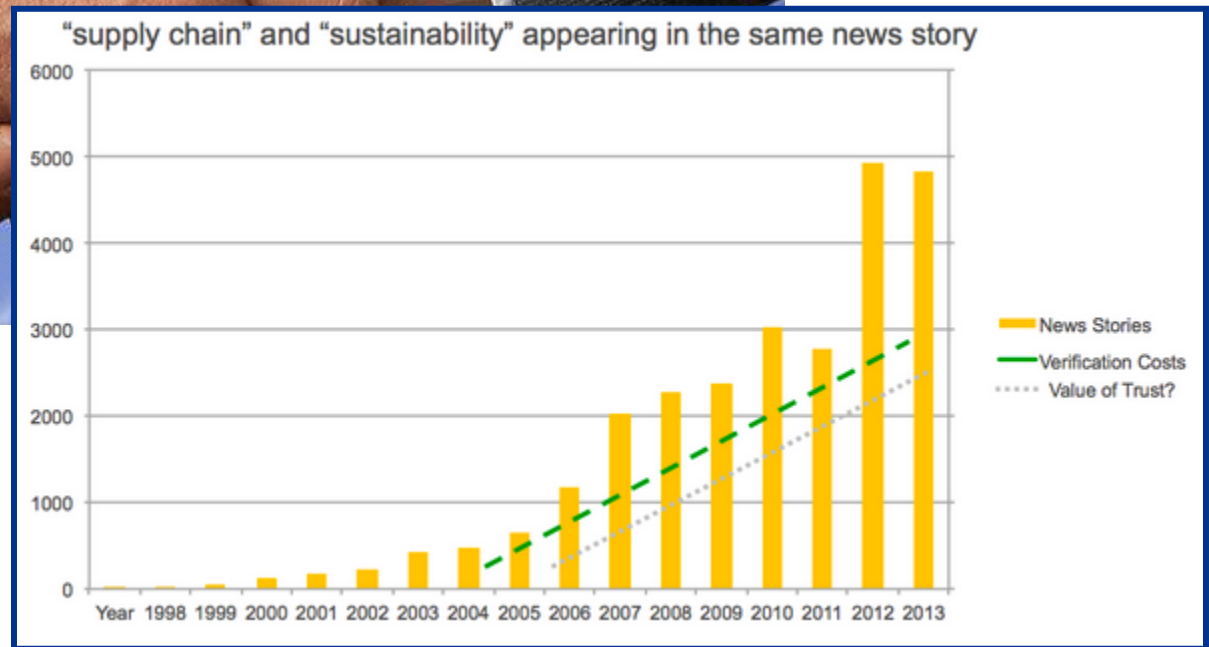
Farmer
Profitability

Community
resilience



How do we get to scale?

Creating transformational change in agriculture



Why would an environmental group focus on sustainable supply chains?




Why would business care about sustainability?

“...business will have to change. It will have to get off the treadmill of quarterly reporting and operate for the long term. It will have to see itself as part of society, not separate from it. And it will have to recognize that the needs of citizens and communities carry the same weight as the demands of shareholders. ..And if we continue to consume key inputs like water, food, land and energy without thought as to their long-term sustainability, then none of us will prosper.”

Paul Polman, CEO of Unilever

What is driving changes in supply chains?

- a. Basic regulatory compliance?
 - b. Consumer demand?
 - c. Corporate disclosure requirements/shareholder demand?
 - d. Growing awareness of physical/reputational risk?
 - e. Opportunities for cost-savings?
 - f. Opportunities for innovation/new products/new markets?
 - g. Opportunities to build/enhance brand?
 - h. All of the above?
- 

Engaging the Supply Chain

FARMERS

**INFORMATION
SERVICES &
TECHNOLOGY**

**AGGREGATORS
(grain elevators)**

**FOOD
COMPANIES**

RETAILERS



**Adopt
sustainable
practices**

**Support
farmer efforts
to improve
sustainability**

**Engage
farmers via
education and
data collection**

**Send demand
signal to
aggregators
and/or farmers**

**Send
demand
signal to
food
companies**

SUPPLY

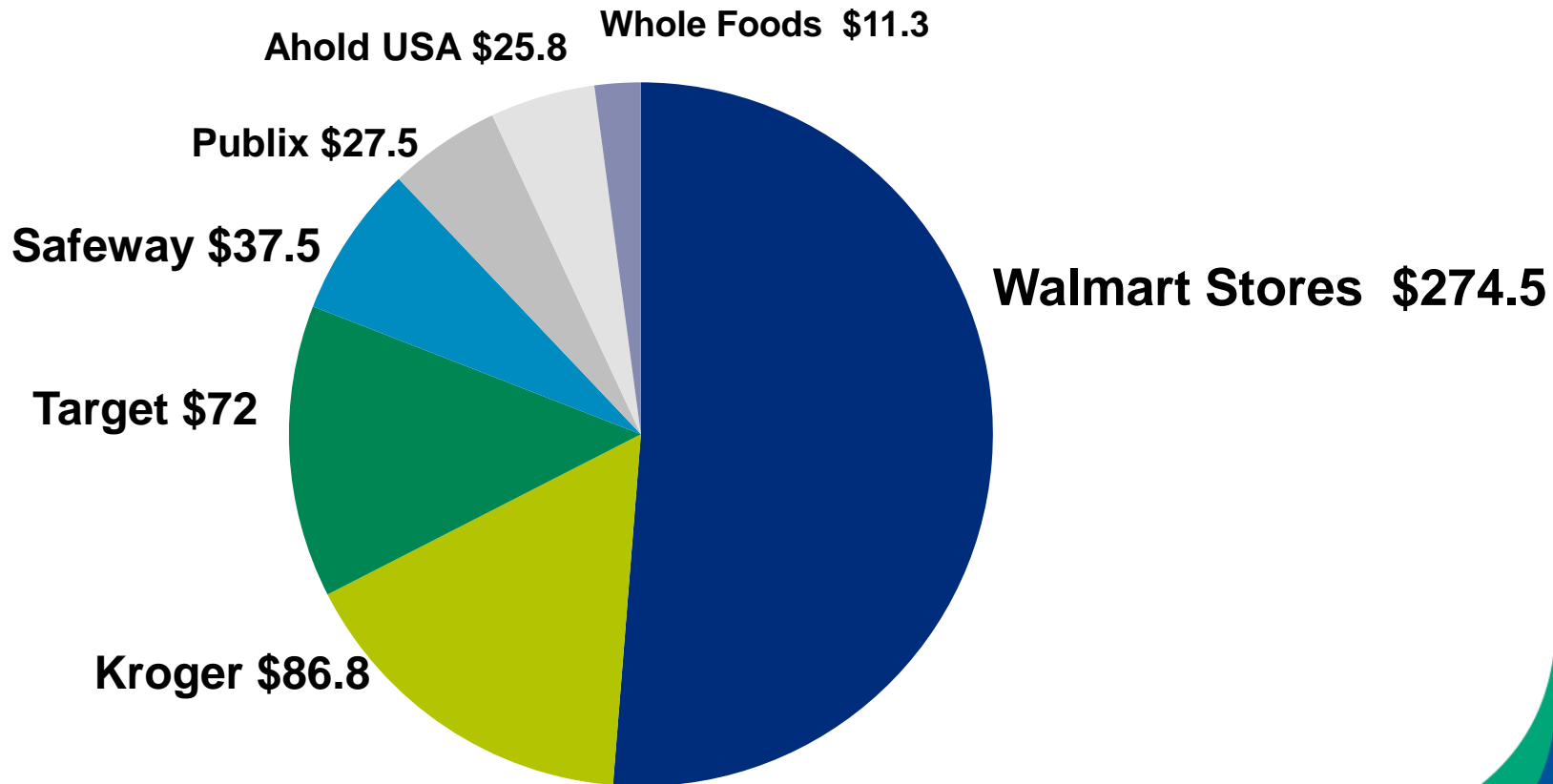
DEMAND

A powerful demand signal...



Grocery Market Share

\$ grocery sales in billions



Measuring performance

Develop quantifiable goals for improved environmental outcomes: water quality, greenhouse gases, water consumption, land use conversion, biodiversity etc.

Develop models that relate changes in on-farm management to changes in environmental outcomes

Create tracking systems to measure and report changes in on-farm management, and verification systems to ensure changes are real and have the desired impact

Track and report on progress towards agreed-upon goals





EDF Goal: Eliminate fertilizer pollution as a major environmental concern from agriculture

Strategy

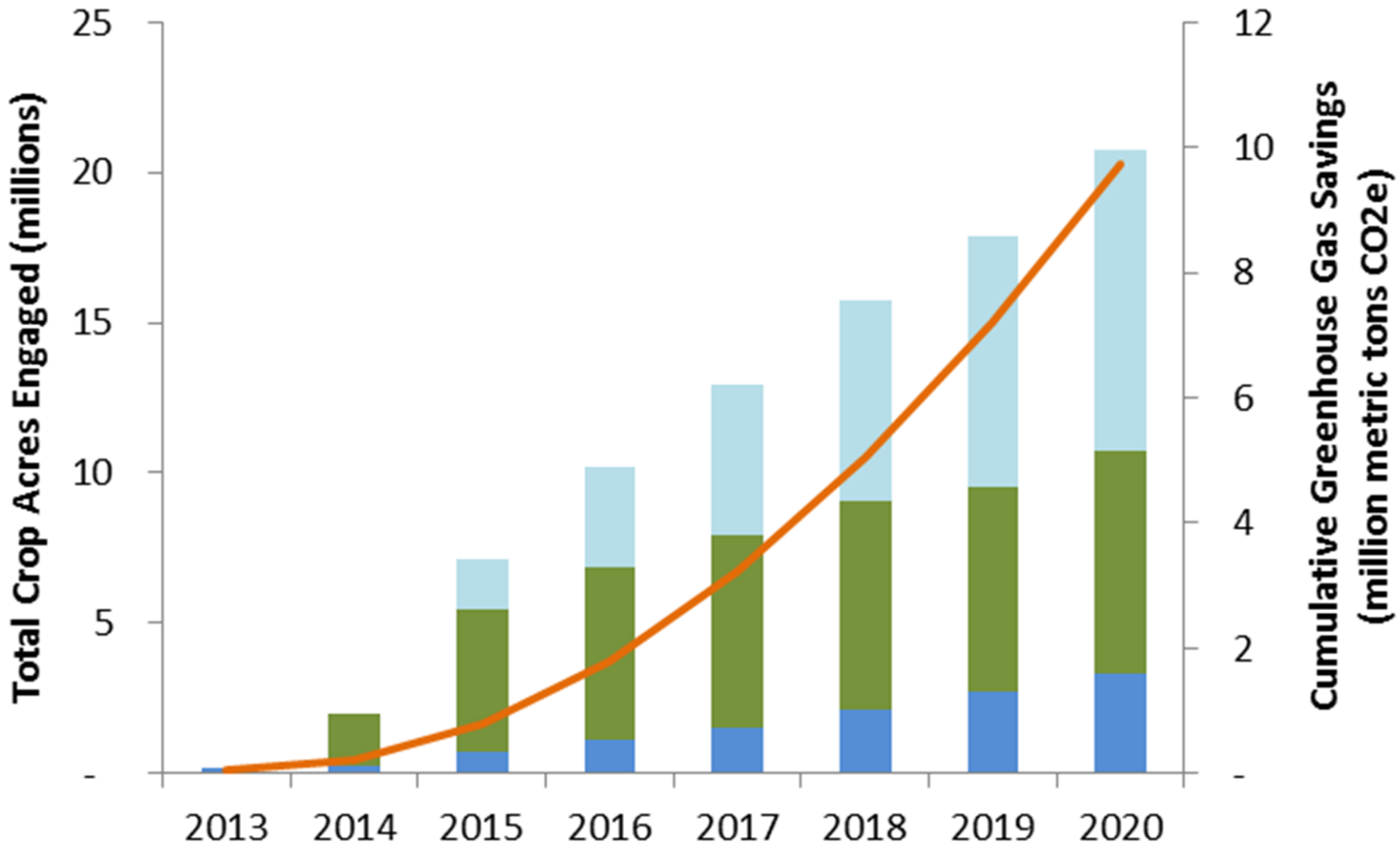
Leverage supply chains, carbon markets, and additional policy drivers to create incentives to reduce nutrient loss and generate water quality and GHG benefits



2020 Goal

Walmart and other companies adopt policies that, with strong reinforcement from carbon markets, drive improved nutrient practices on 50% of corn acreage (45M acres) by 2020, resulting in 25 MMT of GHG emissions reductions (CO₂e) and co-benefits for water quality at scale.

Projected Impact Acres Committed and Potential GHG Savings



- Farmer Networks
- Walmart Plans & CEO Commitments
- Ag Info/Service Providers
- Cumulative GHG Savings



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Creating transformational change in agriculture: from “either/or” to “both/and”



How can (state) policy-makers support and incentivize increased supply chain sustainability?