ALLEN F. JOHNSON
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# ENVIRONMENTAL STANDARDS FOR U.S. FOOD PRODUCTS

## ECLAC Carbon Footprint Seminar

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October 11, 2012

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1. **Framework for U.S. Agriculture and Food Laws**
   - Environmental protection
   - Health and Safety
2. **Legal Framework for Carbon Emissions**
   - State and Federal Roles
3. **Voluntary Attributes and Actions**
   - National Organic Program
   - Marketing Initiatives
4. **Emissions Initiatives**
   - Demand Pull
   - Supply Push
     - Field to Market
     - Consumer Goods Forum
     - U.S. Dairy Sustainability Commitment
     - COMET-Farm

## Legal Framework for Agriculture and Food Production

- U.S. agricultural producers are subject to a wide range of environmental statutes that establish production and emission standards.
  - High profile laws include the Clean Water Act and the Clean Air Act
- U.S. farmers are required to meet certain environmental standards if they participate in U.S. farm programs, designed to protect fragile lands and minimize pollution.
  - Farmers must have a conservation plan in place and protect from land erosion and preserve wet lands.
- Farmers and Food Processors are subject to U.S. food safety regulations that set standards with an aim of protecting human health.
  - Examples include FIFRA (chemical control), Food Quality Protection Act (establishes MRLs), and Toxic Substances Act

## Major Environmental Laws Governing Agricultural Production

- Clean Air Act
- Clean Water Act
- Comprehensive Environmental Response, Compensation, and Liability Act
- Coastal Zone Act
- Reauthorization Amendments of 1990Emergency Planning and Community Right-To-Know Act
- Federal Insecticide, Fungicide, and Rodenticide Act
- Food Quality Protection Act
- Oil Pollution Act
- Regulatory Flexibility Act (RFA) and Small Business Regulatory Enforcement Fairness Act (SBREFA)
- Resource Conservation and Recovery Act
- Safe Drinking Water Act
- Toxic Substances Control Act

http://www.epa.gov/agriculture/llaw.html

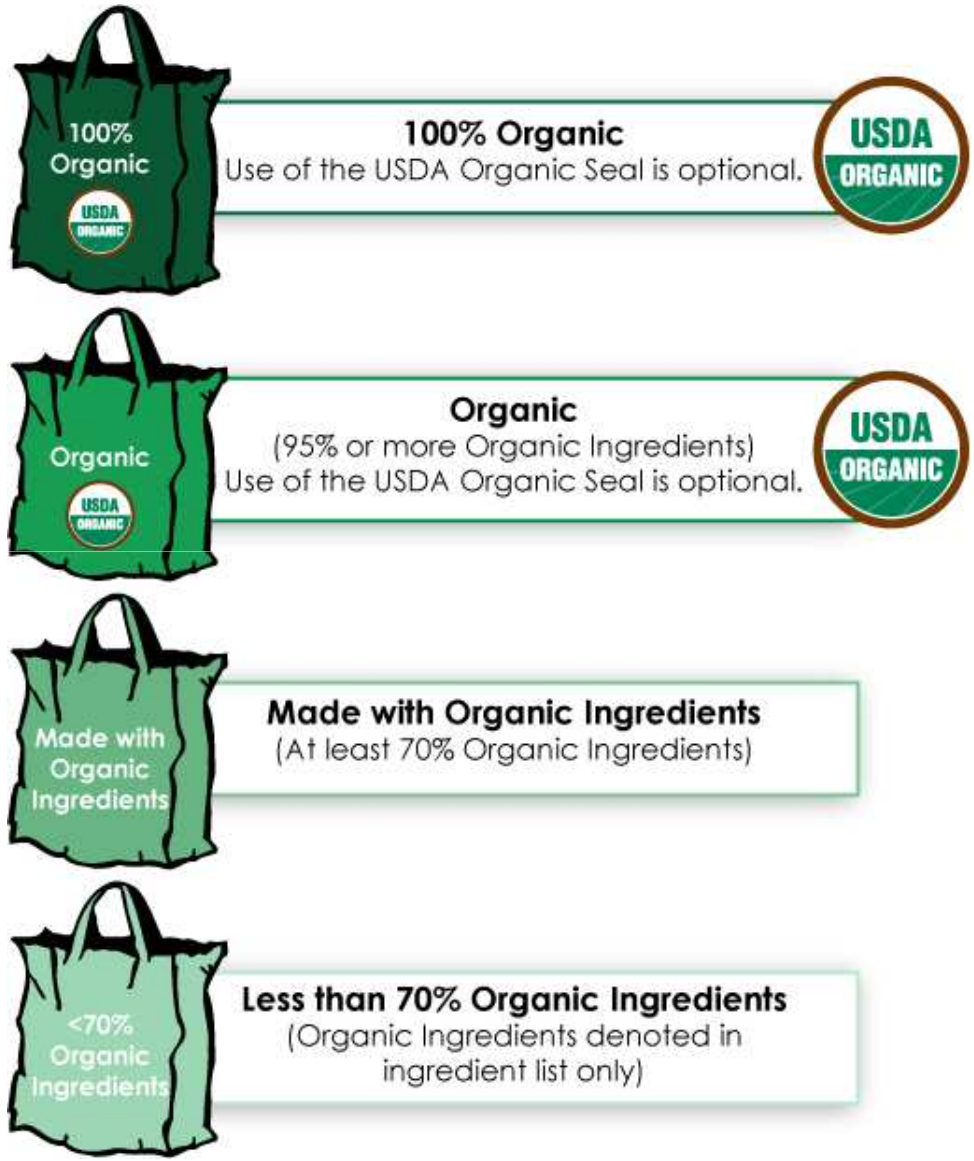
## Legal Framework for Carbon Markets

- States have the authority to regulate individuals and businesses
  - California Cap and Trade system
    - refineries, power plants, industrial facilities, and transportation fuels.
    - Tradable alllowances distributed, reduced over time. Aim for 1990 carbon levels by 2020, and then 80% reduction by 2050.
    - First Auction: November 14, 2012
  - NE Regional Greenhouse Gas Initiative
    - Power generation $CO_2$ emissions capped and auctioned
- Federal schemes can over-ride state systems.
  - U.S. Constitution Article 1, Section 8, Clause 3: Commerce clause – the feds have the authority to regulate inter-state commerce.
  - "Dormant Commerce" clause – leave the regulating to the feds and discrimination across states is prohibited.
- No restrictions on voluntary off-set programs

## National Organic Program Framework

- Organic practices defined
  - Must use approved practices that support sustainability
  - Certain practices prohibited:  synthetic fertilizers, sewage sludge, irradiation, and genetic engineering
- Certification
  - Third party certifiers inspect and verify compliance.
  - USDA audits and investigates.
- Use of labeling:  USDA organic seal

## USDA National Organic Standards labeling requirements.

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## Meat and livestock product labels

- **Free-range:** shelter, unlimited access to food, fresh water, and continuous access to the outdoors during their production cycle. Regulated by the USDA.
- **Cage-free:** able to freely roam a building, room, or enclosed area with unlimited access to food and fresh water during their production cycle.
- **Natural:** minimally processed and contain no artificial ingredients. However, the natural label does not include any standards regarding farm practices and only applies to processing of meat and egg products. Regulated by the USDA.
- **Grass-fed.** receive a majority of their nutrients from grass throughout their life. Regulated by the USDA.
- **Pasture-raised:** not regulated by the USDA.
- **Humane:** not regulated by the USDA.

## FTC Guidelines on Environmental Claims

- **Prevent deceptive claims.**
- **Specificity on components and environmental benefits:**
- **Substantiate comparisons**
- **Do not unqualified general environmental claims (“eco-friendly”)**
- **Carbon Offsets**
  - be careful with accounting, don’t sell offset more than once
  - prominently identify offsets that will occur two years or more in the future
  - do not claim reduction if it was already required by law

## Role of Third Party Sustainability Certifiers

- Rainforest Action Network
- Forest Stewardship Council
- Fairtrade
- 4C
- Scientific Certification Systems
- Organic Certifying Agents for National Organic Program

## Food Manufacturer/Retailer Sustainability Efforts

- **There is a market for Sustainable products**
- **Sustainability can make good business sense**
  - Reduce costs
  - Increase efficiency
  - Improve product quality
- **Sustainability is good for the corporate social image**

## Food Manufacturer/Retailer Sustainability Efforts: Sustainability Consortium (TSC)

- Producer/retailer driven standards-setting organization
- Goal: global retail standard for 21st Century
- Developing product life cycle standards for
  - beef
  - coffee
  - cotton
  - strawberry yogurt
  - wheat cereal.

## Food Manufacturer/Retailer Sustainability Efforts: WAL-MART

- "Aspirations":
  - 100% renewable energy,
  - zero waste,
  - sustainable products.
- Best Practices:
  - packaging cut by 5% by 2013 from 2008
  - energy audits
  - heat capture.
- Applying TSC metrics for product categories, grading suppliers

## Food Manufacturer/Retailer Sustainability Efforts: KRAFT

- In 2010 purchased
  - nearly 50,000 metric tons of Rainforest Alliance Certified™ coffee;
  - approximately 11,000 metric tons of Rainforest Alliance Certified™ cocoa;
  - roughly 19,000 metric tons of Fairtrade cocoa;
  - 24,000 metric tons of Fairtrade sugar.
- 2015 Goals (from a 2010 base)
  - Increase sustainable sourcing of agricultural commodities by 25 percent
  - Reduce energy use in manufacturing plants by 15 percent
  - Reduce energy-related CO2 emissions in manufacturing plants by 15 percent
  - Reduce water consumption in manufacturing plants by 15 percent
  - Reduce waste at manufacturing plants by 15 percent
  - Eliminate 50,000 metric tons (100 million lbs.) of packaging material
  - Reduce 80 million km (50 million miles) from transportation network

## Food Manufacturer/Retailer Sustainability Efforts: MCDONALDS

- Supply Chain Focus
  - Land management
  - Animal Welfare
  - Supplier Workplace Accountability
  - Sustainable fisheries
  - Sustainable packaging

- Sustainability Scorecard
  - 99% of fish form MSC-certified fisheries
  - Participation in the Global Conference on Sustainable Beef
  - Supplier Environmental Scorecard
  - Restaurant environmental practices (energy)

## Demand Pull

- Consumer Demand
  - Carbon offsets
    - Companies
    - Individuals
  - Product qualities
    - Label attractiveness

- Retailer Response
  - Company performance
  - Supply chain standards

## Supply Push:  Field to Market

- Members:  producers, agribusiness, food companies, and conservation organizations
- Developing indicators to estimate the environmental, economic, social, and health outcomes of agriculture in the United States.
- Developing metrics to estimate on-farm outcomes, including Green House Gas emissions.
- Can be used at the farm level to assess operational decisions and compare to benchmarks.

- http://www.fieldtomarket.org/

## Supply Push: Consumer Goods Forum

- Members are large retailers, manufacturers, service providers and others across the world
- “Better lives through better business”
- Climate Change Initiative
  - Inform consumers (including by promoting certification and standardizing measurement), stimulating demand for low-carbon products
  - Best practices in lifecycle analysis across supply chains
  - Fostering institutional support for low-carbon products (develop technology, change social norms, etc.)
- “Stimulating by market demand and rewarded by consumer preferences”

- http://www.theconsumergoodsforum.com/pfiles/publications/copenhagenpaper.pdf

## Supply Push: U.S. Dairy Sustainability Commitment

- U.S. dairy producers trade association
- Promotes sustainability through the dairy value chain
- Developed two online carbon calculators, one for processors and one for transporters, to calculate carbon footprints and identify opportunities to reduce emissions and cut costs
- Promote best practices

- http://www.usdairy.com/Sustainability/Pages/Home.aspx

## Supply Push: Comet Farm

- USDA and Colorado State University effort
- Designed to help famers create a whole farm and ranch carbon and greenhouse gas accounting and reporting system.
- Allows farmers to explore the impacts to emissions of alternative management scenarios.

- http://cometfarm.nrel.colostate.edu/

- U.S. environmental policy on food products is focused on production externalities and food safety.
- Key regulatory issue relates to labeling and accurate product claims.
- Commercial and market-driven demand for environmental attributes are the most important factors currently effecting environmental standards for food products.
- Carbon and other greenhouse gasses are only lightly regulated in the United States currently.
- Industry is leading the way on reducing carbon emissions for business reasons: cut costs and respond to consumer demand for products with positive attributes.
- Industry efforts are underway to share best practices and measure changes in carbon emissions.

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