Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

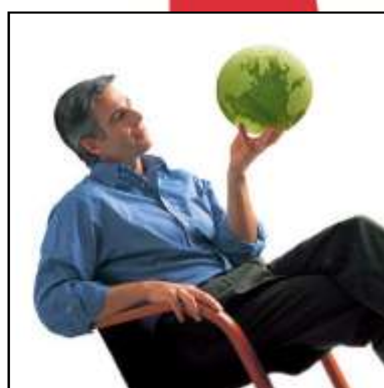
International Markets Bureau

MARKET ANALYSIS REPORT | NOVEMBER 2012

Socially Conscious Consumer Trends

Sustainability





Growing Forward

Canada

INTRODUCTION

Grocery shoppers base their buying decisions on their perceptions of value. Value considers the balance between quality and price, and how a product fits into a consumer's culture, lifestyle and social consciousness. Global public opinion surveys have identified the growing influence of personal values in purchase behaviour. The most common, relative to the food and beverage industry, include farm animal welfare, fair trade, provenance, vegetarianism, sustainability and packaging. The series *Socially Conscious Consumer Trends*, of which this report is a part, examines each of these issues within the global food market to assist Canadian food and beverage producers and processors in positioning their products within, and as alternatives to, these influences.

The grocery store shelves provide evidence of the recent interest in creating sustainable products: foods and beverages that meet current consumer demand without compromising the needs of future generations. According to Mintel, 1262 food and beverage products were introduced into the global marketplace in 2011 that specifically referenced sustainability in their product descriptions, up substantially from the 132 products introduced five years earlier. These numbers increase when products with claims associated with sustainability are considered. Over 20,000 products were launched in 2011 with sustainability claims/logos; significantly higher than the 1200 in 2006. (Mintel, GNPD, 2012).

Improving the sustainability of the food system has garnered global support, but a consistent approach has not emerged. The diversity of expert opinion on defining solutions, the socio-economic and political impacts on communities, and even the public's emotional connections to production issues impede progress. Practical roadblocks also make sustainability a challenge: best practices may not be transferable due to geography; access to required technology may not be possible; and consumers may not be willing to pay extra for investments that improve sustainability.

This report centres on the environmental aspect of sustainability, consumer attitudes and buying patterns and how the agriculture and food sector is responding to perceived needs. Reports on other aspects of sustainability can be found on the Agri-Food Trade Service website at http://www.ats-sea.agr.gc.ca/intro/index-eng.htm. For example the organics sector is covered broadly in the reports "Market Trends - Organics" from November 2010 and "Health and Wellness Trends for Canada and the World" from October 2011, as well as market information in specific countries around the world. In addition, the report "Global Trends: Sustainable Food and Beverages" from March 2011, provides a snapshot of issues covered in detail by this series.

INSIDE THIS ISSUE

Source: *Mintel, 2012*

SOCIALLY CONSCIOUS CONSUMERS

Socially conscious consumers use their purchasing power to try and improve the world around them. Their decisions are based on whether a product's positioning on issues, such as the environment or method of production, align with their values, perceptions or knowledge. They can act on their consciences in positive or negative ways, either buying a product that meets their beliefs, or boycotting a product or company that doesn't meet their standards. Any Internet search will result in many examples of support for the socially responsible consumption theme from media reports, blogs, research papers, economic studies and non-government organizations. Surveys and interviews with consumers from around the world report that individuals rely significantly on their social values and belief structure when making purchasing decisions. While this demonstrates a definite change in attitude, actual buying patterns in the marketplace indicate that the percentage of consumers acting on their beliefs is smaller than what is reported, generally keeping socially conscious products in niche categories.

Of the types of products included under the "ethical" umbrella, food and beverages have seen some global growth, particularly in the United Kingdom. The Cooperative Bank's *Ethical Consumerism Report* for 2010 found that spending on products classified by industry as "ethical food and drink" in the United Kingdom increased by 27% in the previous two years to reach 8% of all food and drink sales. Fair trade food sales increased by 64% to £749 million, and sales of Freedom Food certified products more than tripled, from £28 million to £122 million. Organic foods, however, declined by 14% to £1.7 million (Cooperative Bank, 2010).

Given the traction already gained in the marketplace, socially conscious consumption will likely become more mainstream over time. A number of integrated factors will drive this trend forward: a growing volume of national and international legislation regarding environmental and social standards; more companies enacting corporate social responsibility policies as a way to differentiate themselves and their products; greater public awareness of how purchase behaviour links to social issues; and the growing need for consumers to express their personal values through their buying patterns. It is important to understand consumer behaviour in a potential market to take advantage of any opportunities based in this trend. Factors to consider include:

- Consumer purchase behaviour is complex, involving numerous trade-offs of the attributes desired on that specific shopping occasion. Rarely is a purchase made based on any single characteristic, particularly on the social issues related to the product. Social consciousness must correspond with the functionality and price of the product in order to appeal to the consumer.
- Research techniques, such as surveys and focus groups, rely on people reporting their own purchasing habits or intentions, which generally does not reflect the types of decisions consumers have to make at retail. Also, there is a bias inherent in questions based on values and beliefs as people respond to what they ideally would like to do. True market-based experiments that realistically create these trade-offs and access to retail sales data are required, to get more accurate predictions of actual purchases.
- Consumers have very diverse social preferences, but actually paying for a product makes individuals even more selective in terms of which social preference carries the most importance. This diversity is further complicated by the fact that consumers may unexpectedly shift their preferences from time to time due to influences such as media, friends and family, or personal experience. This makes marketing using traditional consumer segmentation more of a challenge.

Companies that are interested in being competitive in this market need to build trust with their customers by providing reliable and relatable information about the health, social, and environmental benefits of their products and services that can be verified by an independent source. Labelling will continue to be the most apparent explanation of why a product's production systems, footprint, packaging techniques, or ingredients are more socially responsible than those of the competition. However, a variety of other marketing techniques, particularly social media, will have to be used to promote both the product attributes and the company's approach to corporate social responsibility to successfully attract consumers interested in making purchases from this perspective.

INTRODUCTION TO SUSTAINABILITY

The term sustainability has been used to reference the need to meet the demands of today's population without compromising the ability of future generations to meet their own needs for many years (Our Common Future, 1987). Sustainability principles related to the agriculture and food system tend to relate to stewardship of land, air and water and other natural resources as well as quality of life and long term profitability for food producers and rural communities. Common threads include:

- **Ecology:** Erosion, nutrient depletion in soil; pollution; water scarcity; pesticide usage; loss of habitat and genetic diversity; greenhouse gases and climate change.
- **Socio-economics:** Urban sprawl; loss of family farms and its impact on rural communities; agribusiness concentration; and global competition.
- **Health and Safety:** Risks to farmers and workers; use of antibiotics in livestock; and food security for an increasing world population.
- **Philosophy:** Loss of connection between consumers and food production; loss of rural values to urban society; and polarizing perspectives.

To date, a standard definition for agri-food sustainability has not been established. One of the first legislative attempts came with the 1990 United States Farm Bill, which defined sustainable agriculture as an integrated system of production practices having a site-specific application that will, over the long term;

- satisfy human food and fibre needs;
- enhance environmental quality and the natural resource base;
- make the most efficient use of non-renewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
- sustain the economic viability of farm operations; and
- enhance the quality of life for farmers and society (United States Department of Agriculture, 2007).

More recently, the concept of agri-food sustainablity has expanded to include products as well as production systems. For example, The Hartman Group Inc. defined sustainable food and drink as products that minimize their impact on the environment and people in one or more of the following ways:

- the use of recycled materials;
- the use of local, natural or organic ingredients that don't harm the environment or overuse resources;
- the absence or reduction of harmful chemicals;
- the use of organic/pesticide-free farming methods;
- the use of reduced energy and/or water;
- the use of wood, paper, and cardboard from sustainably managed forest land;
- products that create less waste/pollution; and
- fair treatment and wages for farmers/workers (Hartman, 2012).

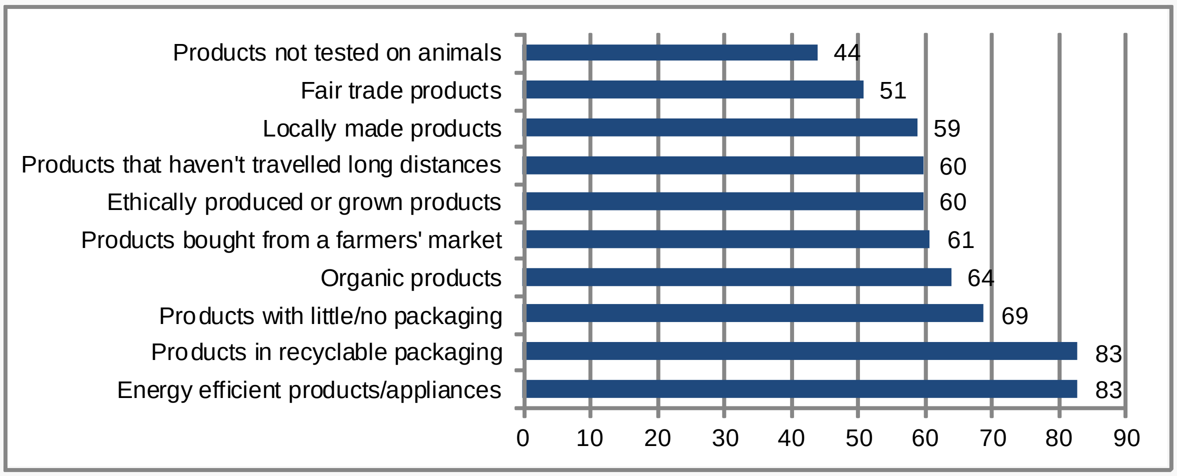
The interest in defining sustainability is based on the growing recognition from all stakeholders that the future productivity and financial performance of the agri-food system is dependent on the health of natural resources. In response, some stakeholders have created initiatives that focus on and promote a specific aspect of sustainability. A more common approach has been the establishment of corporate social responsibility (CSR) programs and policies that try to balance specific targets such as product sourcing, carbon capture, water waste, organics, and biodiversity, with market performance. Consumer demand has also been an important driver towards the adoption of more sustainable policies and practices within the food system. Global and regional public opinion surveys have shown that consumers believe that environmental claims positively impact their choice of product. Although encouraging, research has also found that this belief does not carry through to actual purchase as a result of public skepticism towards certification systems, a general lack of environmental issues, and more recently, concerns about global economy.

PUBLIC OPINION

Public opinion research demonstrates that global consumers are interested in sustainability. The Neilsen Company, in a 2011 consumer survey on corporate citizenship, found that 66% of socially conscious consumers selected environmental sustainability as the most important from a list of 18 prominent issues. By region, it ranked first for these consumers in Europe, Asia Pacific, and Latin America, second for North American consumers, but was well behind issues related to poverty, hunger, education and clean water for consumers in Africa (Nielsen Global Survey of Corporate Citizenship Q3, 2011).

Neilsen examined environmental sustainability in another 2011 global survey and found that concerns for air pollution (77%) and water pollution (75%), ranked highest. Interests in packaging waste, water shortages and pesticide use were equal at 73%, but showed the greatest increase in rates of concern. This survey, as shown in Figure 1, also determined that consumers see energy efficient products and recyclable packaging as having the strongest positive effect on the environment (83%). Organics (64%), farmers' markets (61%), and locally made products (59%) were also important (Neilsen Global Online Environment and Sustainability Survey, 2011).

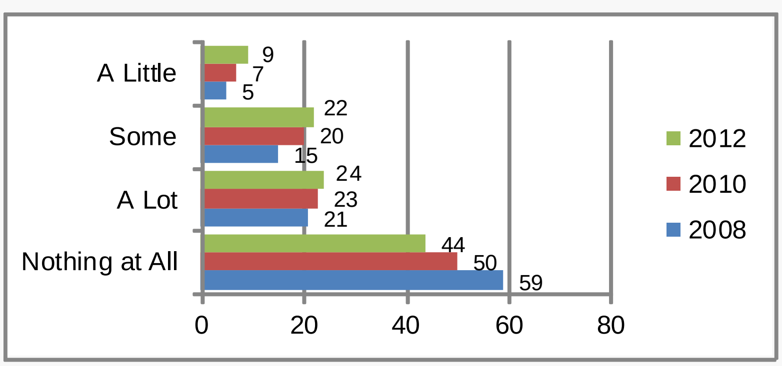
Figure 1: Do You Believe the Following Sustainable Products are Having a Positive Effect on the Environment? (% Global Average)



***Source:** Neilsen, 2011*

U.S. consumers generally follow global trends. The International Food Information Council (IFIC) released their 2012 study "Consumer Perceptions of Food Technology Survey" which, in part, explored U.S. consumer perceptions of sustainability. They found that awareness of sustainable food production had increased since 2008, so that 55% of the respondents had now heard or read at least "a little" about the concept of sustainability in food production (See Figure 2).

Figure 2: Awareness of Sustainable Food Production (%)

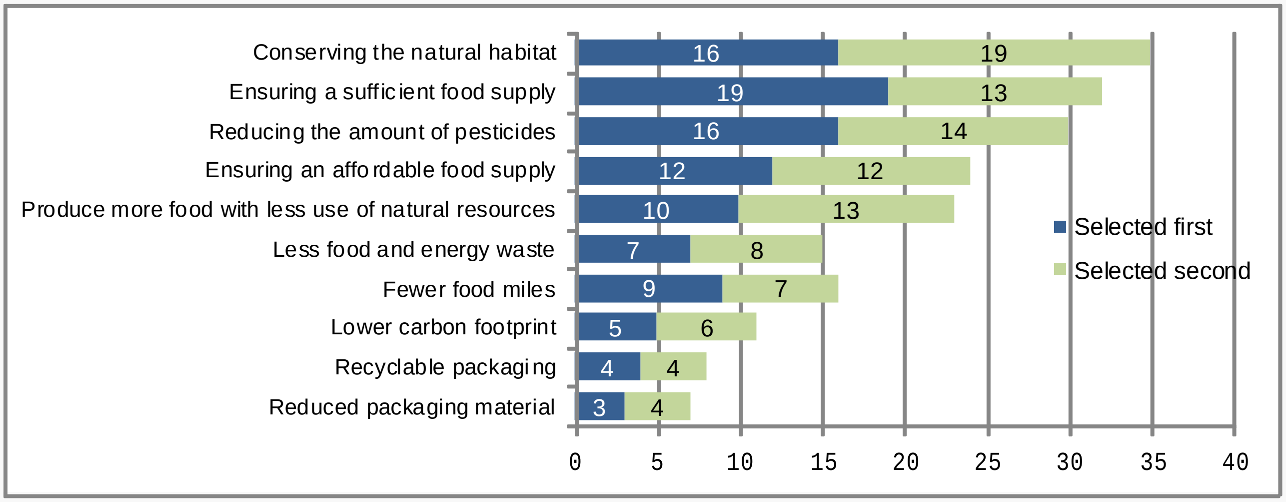


***Source:** IFIC, 2012*

PUBLIC OPINION (continued)

When asked to identify what aspects were the most important, 35% ranked "conserving the natural habitat" (water, land, rainforests, etc.) in their top two, followed by "ensuring a sufficient food supply for the growing global population" (32%) and "reducing the amount of pesticides used to produce food" (30%). "Recyclable packaging" and "reduced packaging material" were ranked the lowest at 8% and 7% respectively (See Figure 3).

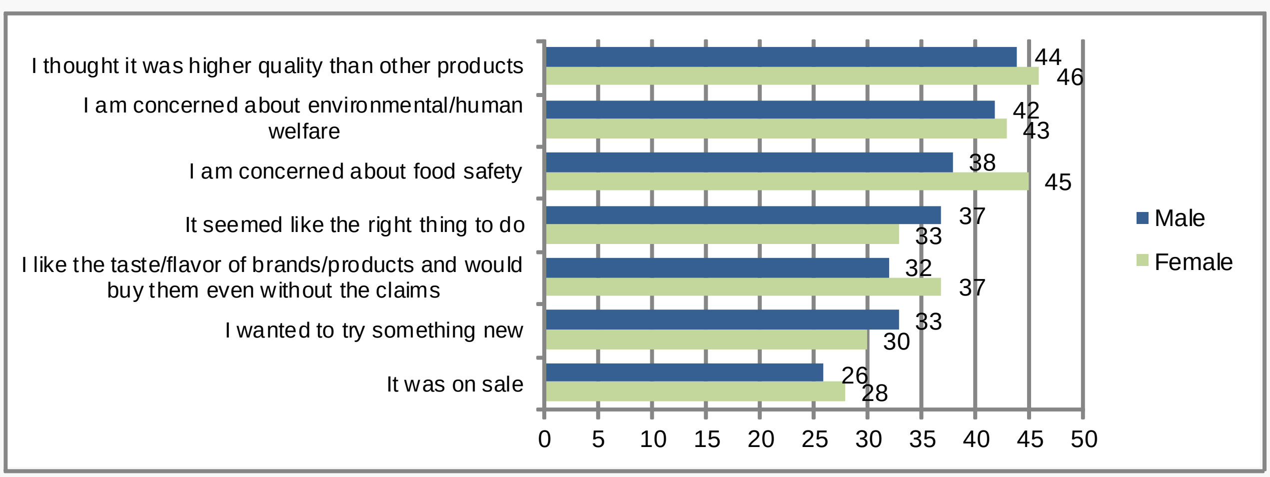
Figure 3: Importance of Aspects of Sustainability (%)



Source: *IFIC, 2012*

In terms of reasons why consumers buy sustainable food and drinks, Mintel found that perceived higher quality was the main driver for both men and women (45%), with concern for environmental and human welfare a close second (43%). Food safety and taste/flavour were also considerations, however more for women than men (See Figure 4).

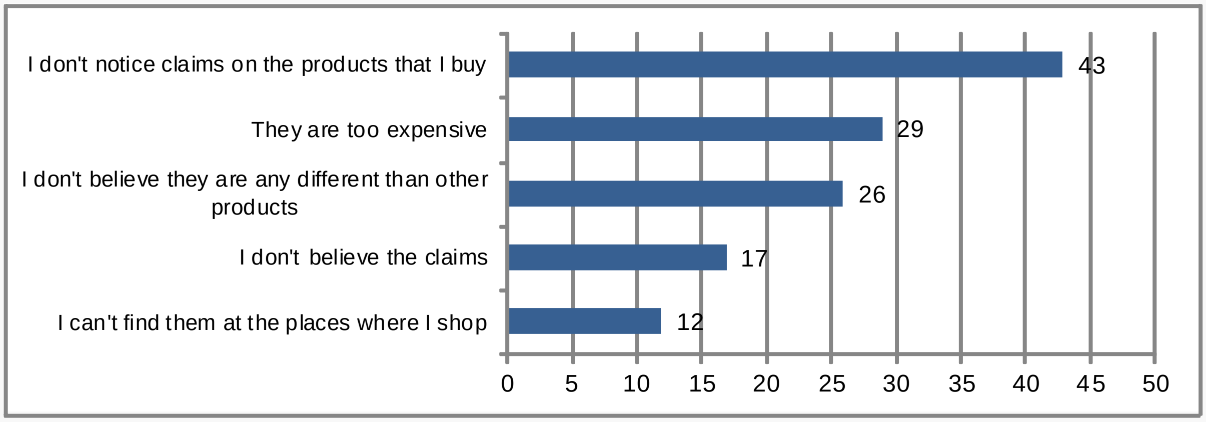
Figure 4: Drivers for Sustainable Product Purchases by Gender (%)



Source: *Mintel Sustainable Food and Drink 2011*

In terms of deterrents to purchasing sustainable food and beverages, as shown in Figure 5, Mintel found that consumers said that they didn't notice relevant product claims on packaging (43%), suggesting that it simply doesn't enter into the purchase decision at the retail shelf for many people. Expense and doubtfulness in claims are also mentioned.

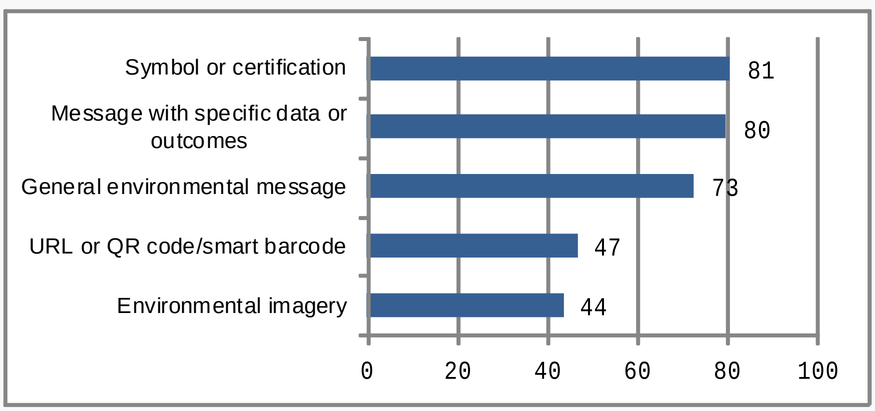
Figure 5: Deterrents for Sustainable Product Purchase (%)



Source: *Mintel Sustainable Food and Drink 2011*

Poll results consistently indicate that consumers look at labels to guide environmental purchases. The 2012 Cone Green Trend Tracker Report, Figure 6, found that when purchasing a product with an environmental benefit, U.S. consumers cited a symbol or certification (81%) and a message with specific data or outcomes (80%) as most influential in their decision to buy. For 73 percent, a more general environmental statement, such as "uses less water," was influential. Some independent organizations are now actively evaluating the standards behind sustainable products and offering consumers assistance with navigating current labels. Publications like Consumer Reports have started to report their perspective on which products are credible and the web site Ecolabelindex.com allows consumers to compare ecolabels from 42 countries.

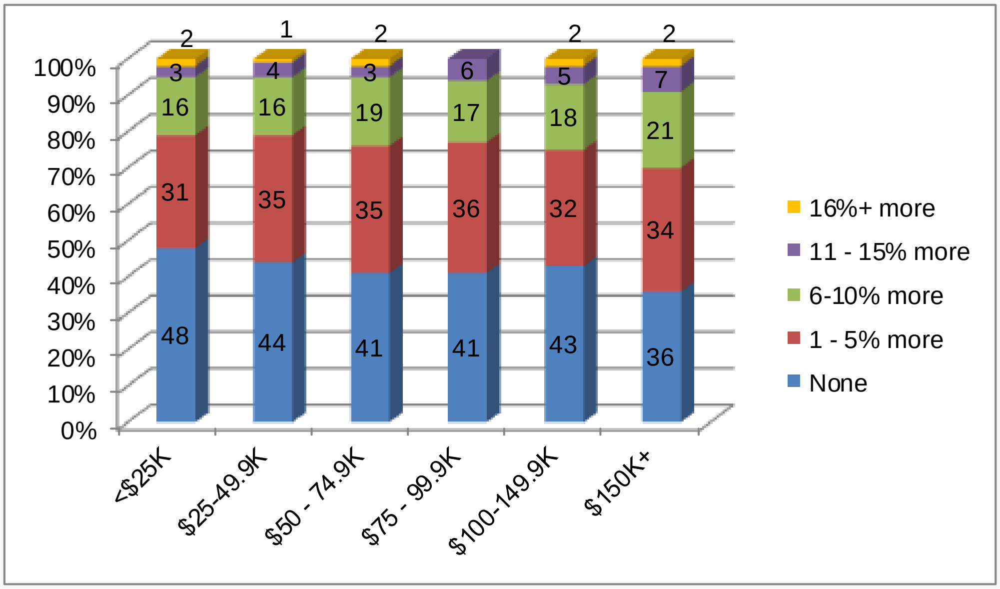
Figure 6: When Purchasing an Environmental Product, Americans are Most Likely to be Influenced by



Source: *2012 Cone Green Trend Tracker Report*

As with all socially conscious consumer trends, price remains a primary consideration. The IFIC study found that even though the majority of US citizens said sustainability was important, only one third would be willing to pay more. This carries over to foodservice as well. Mintel, in a 2011 foodservice survey of US citizens, found that restaurant patrons across all income levels were only willing to pay slightly more for local and sustainable ingredients. As shown in Figure 7, even the most affluent were reluctant to pay even 10% more. The survey also found that young adults were most connected with green and sustainable initiatives.

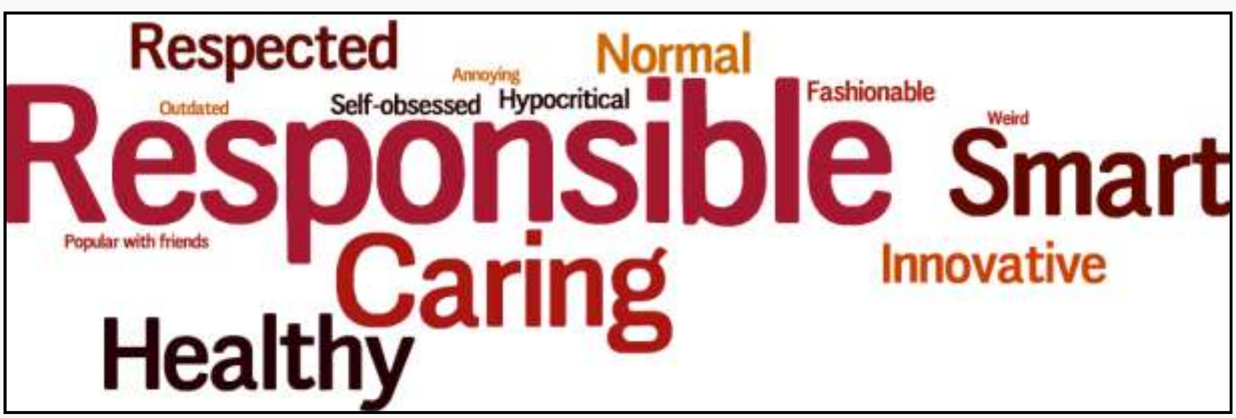
Figure 7: Willingness to Pay Extra for Local and Sustainable Ingredients by Household Income



Source: *Mintel 2011*

The Greendex survey series from National Geographic and Globescan has been measuring global consumer attitudes towards sustainable consumption since 2008. In their 2012 survey, they asked respondents to describe “green consumers.” As shown in Figure 8, “responsible,” “caring,” “smart,” and “healthy” were most commonly mentioned. Interestingly, most individuals reported that they thought 20% - 40% of consumers in their native country were green, yet when asked if they themselves were green, more than 50% agreed. These responses are seen to be confirmation that green consumer behaviour is widely seen as socially desirable and that consumer interest in sustainable products will build over time.

Figure 8: Characteristics of Green Consumers*



*Size of words represents frequency of choice of word from a prompted list as a descriptor of green consumers.
Source: *Greendex Consumer Choice and the Environment – A Worldwide Tracking Survey, 2012,*

STANDARDS AND LABELLING

Communicating information on food and beverage sustainability is difficult. The global nature of the production and processing of a vast number of food and beverage products; the requirements of various domestic and international legislations around trade and consumer protection; and the scope of consumer interests only add to the challenge. In the past twenty-five years, there have been hundreds of non-government organizations (NGO), private and public sector policies and initiatives implemented to provide food system sustainability claims and, although valuable, few address the whole value chain and all dimensions of sustainability. In addition, most evaluation criteria are qualitative in nature, or based in supplier requirements, which make the appraisal of sustainability claims of a company difficult for producers and consumers. There appears to be a renewed interest in a common approach, but the attempts at standardization through traditional channels have had limited success.

The International Organization for Standardization (ISO), through its 14000 series, addresses voluntary environmental labelling, with an emphasis on communicating verifiable and accurate information on products and services, and encouraging the supply and demand of products and services that cause less stress on the environment. Some third-party accreditation organizations have adopted this standard in their programs, but uptake has certainly not been universal (ISO, 2012).

At the regional level, the European Food Sustainable Consumption and Production (SCP) Round Table is a new joint United Nations Environment Programme/European Environment Agency initiative to establish the food chain as a major contributor toward sustainable consumption and production in Europe. There are 24 member organizations representing all European food supply chain members, along with a range of observer organizations, including Agriculture and Agri-Food Canada. Its vision is to promote a science-based, coherent approach to sustainable consumption and production, focusing on specific environmental interactions at all stages of the food chain. In addition it strives to ensure that environmental information is communicated to the public in a reliable, consistent, understandable manner that will support informed choice (SCP, 2012).

The Food and Agriculture Organization (FAO) of the United Nations has recognized that there is no internationally accepted benchmark that defines what ‘sustainable food production’ actually involves and no commonly accepted set of categories or indicators that have to be taken into account when measuring sustainability. In 2009, they began working with stakeholders ahead of the 2012 United Nations Conference on Sustainable Development (Rio+20), to develop Guidelines for Sustainability Assessment of Food and Agriculture systems (SAFA). Their goals include the development of:

- A Sustainability Framework, based on environmental integrity, economic resilience, social well-being and good governance, that could be implemented at any level, whether national, supply chain or operational unit;
- Guidelines to facilitate full assessments of sustainable food chains making them transparent, measurable and verifiable; and
- A Standard International Tool for the use of food businesses to assess, improve and report their own contributions toward sustainability.

More information about the Rio+20 conference, which took place June 20–22, 2012, can be found at www.uncsd2012.org/.

CORPORATE APPROACHES

Sustainability has become a pillar in the corporate social responsibility platforms of many of the food and beverage sector's top companies, driven in part by the concerns of their consumers, as well as the potential threats to their supply chains. This section highlights several of these companies and describes their responses to a specific issue within the sustainable framework. A number of companies are consistently named in "top" lists that recognize the best in sustainable companies.

Sustainable Fish and Seafood

The Marine Stewardship Council (MSC) is an international not-for-profit organization with a mission of using their "ecolabel and fishery certification program to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with partners to transform the seafood market to a sustainable basis." MSC works with fishers, retailers, processors, consumers and others to meet internationally recognized guidelines for the certification for wild-capture seafood. According to their website, MSC fisheries that are already certified or in full assessment record annual catches of close to 10 million metric tonnes of seafood. This represents over 10% of the annual global harvest of wild capture fisheries. Worldwide, more than 14,000 seafood products, which can be traced back to their certified sustainable fisheries, bear the blue MSC ecolabel (MSC, 2012).

Aeon, Japan

Aeon is a group of 180 companies operating a range of retail and service companies in Japan, China and Southeast Asia. They are Japan's biggest supermarket chain, with 1300 stores, operated by 19 companies, many under the Maxvalu banner. Their Sustainability Principle addresses carbon reduction, better use of resources, and conservation of bio-diversity, as well as a number of social issues. One of their early initiatives, and one that is under constant product development, is sustainable seafood. Aeon was the first retailer in Japan to offer MSC certified seafood in 2006 and by 2011, they were offering 11 seafood-based products across 22 different species, more than any other retailer in Japan (AEON, 2012).

Source: Marine Stewardship Council

The fish and seafood category lends itself well to the sustainability movement, due to the combination of increased consumer demand and clearly limited resources. Euromonitor statistics show fresh fish and seafood consumption is expected to rise to 17.2 kg/ person in 2016 (Euromonitor, 2012) and on the supply side, the FAO has stated that almost 80% of the oceans' wild fish stocks are either fully fished or over-fished. As a result, expanded aquaculture will be required to meet demand (FAO, State of the World Fisheries and Aquaculture 2010).

CORPORATE APPROACHES (continued)

Climate Change

The term carbon footprint is linked in the public consciousness with climate change from both personal and industrial perspectives. In fact, a smartphone search will turn up dozens of apps that are able to calculate personal carbon footprints. There is now much debate about the need to move toward the use of an ecological footprint that more accurately reflects all the contributions to climate change. The Global Footprint Network has created a measuring system to determine how much land and water area a human population requires to produce the resources it consumes and to absorb its carbon dioxide emissions using current technology (Global Footprint Network, 2012). Although some industries have adopted carbon footprint labelling, it has not caught on quickly in the food and beverage sector. Tesco, a U.K. retailer, announced in 2012 that it will slow down implementation of its carbon footprint label program while it works to find faster and more cost-effective ways to calculate and label footprints and to allow more time within the food system to adopt the practices (The Grocer, 2012).

Kesko, Finland

Kesko manages approximately 2000 stores in retail chains representing food, home and specialty goods, building and home improvement, and car and machinery in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Russia and Belarus. Kesko Food operates in the Finnish grocery trade with chains including K-citymarket, K-supermarket, K-market, and K-extra. Pirkka is their most important brand, with over 2,000 products. As part of its CSR strategy, Kesko has identified that its most significant environmental impact is related to emissions associated with maintaining its facilities, deliveries and storage of goods. To date, they have implemented several tools to help continuously reduce their level of direct environmental impact and are highlighting their results to their consumers. For example, Pirkka introduced an easy to read carbon footprint label on its potato bags in October 2011 and has been expanding the use of that label since that time. The Pirkka website provides more detail for consumers with specific sustainability interests.

Pirkka logo: carbon footprint per 100gms
Source: *Kesko Inc.*

A carbon footprint is an environmental indicator, or measure, of the annual amount of greenhouse gas emissions, primarily carbon dioxide, produced by an individual, group, or company as a result of their consumption of goods and services. The interest in carbon counting stems from increasing levels of greenhouse gases. A build-up of greenhouse gas, of which carbon dioxide is a major element, prevents the heat generated on the earth by the sun to reflect back into the atmosphere, contributing to global warming.

CORPORATE APPROACHES (continued)

Loss of Biodiversity and Rainforest

Agricultural expansion is linked to soil erosion, water pollution and wildlife habitat destruction in tropical forests around the world. The Rainforest Alliance offers three symbols for programs developed around environmental and social standards for the sustainable management of natural resources. These programs are designed to help companies and organizations of all sizes adopt practices to ensure millions of acres of working forests, farms, ranchlands and hotel properties are managed according to rigorous sustainability standards. Farms that meet the social and environmental criteria of the Sustainable Agriculture Network are eligible to use the Rainforest Alliance Certified seal. This certification program began in 1992 in Costa Rica, and, as of 2012, 488,309 small and large farms and cooperatives with a combined total area of about 1.74 million hectares (4.3 million acres) had been certified in 36 tropical countries around the world. More than two million farmers, farm workers and their families directly benefit from the Rainforest Alliance (Rainforest Alliance, 2012).

Unilever, Global

Unilever is one of the world's largest consumer product companies and its food brands can be found in homes around the world. The company launched a Sustainable Living Plan in 2010 to define how they will help people improve their health and well-being, halve the environmental footprint of their products and source 100% of their agricultural raw materials sustainably within existing assurance programs whenever possible. Unilever has pledged to sustainably source all of the cocoa used in their Magnum ice cream products by 2015, while all other cocoa will be sourced sustainably by 2020. By the end of 2011, 37% of the cocoa for Magnum products was sustainably sourced through the Rainforest Alliance certification, and they had reached 21% of their target of having all cocoa sourced sustainably (Unilever, 2012).

Protected Planet is a UN initiative that combines high quality data from the World Database on Protected Areas with public input gained through social networking to allow users to find and explore 150,000 protected areas of the world. In addition to adding information and photos, users can download biodiversity data for numerous analytical needs (Protectedplanet.net, 2012)

Source: *Mintel.com*

Sustainable Agricultural Production Practices

The Roundtable on Sustainable Palm Oil (RSPO) is a not-for-profit association that was created to promote the use of sustainable palm oil products through credible global standards and engagement of stakeholders. Since the certification standards were approved in 2008, production has steadily increased in response to demand. In March 2012, about 6 million metric tonnes of RSPO certified palm oil was produced, representing approximately 10% of the international total. The organization has 29 grower members operating 135 certified mills in Brazil, Colombia, Indonesia, Malaysia, Papua New Guinea, and the Solomon Islands. (RSPO, 2012).

CORPORATE APPROACHES (continued)

Sainsbury, United Kingdom

J Sainsbury Plc. operates 557 supermarkets and 377 convenience stores, as well as being involved in real estate and financial services. They have established a 20 by 20 Sustainability Plan, stating, in part, that they will source all of their key raw materials and commodities sustainably to an independent standard by 2020. The company has a long association with the sustainability movement, being the world's largest retailer of Fair Trade products and being the first British supermarket to stock a food product using certified palm oil from RSPO sources. By the end of July 2011, they had launched a total of 28 biscuit lines containing sustainable palm oil. The company is taking an active role in working with all members of the palm oil supply chain to help move the key palm-oil-based ingredients used in the food and beverage sector to certified sustainable sources (Sainsbury, 2012).

Source: *Mintel.com*

Palm oil production is increasing, accounting for one third of the 130 million tonnes of vegetable oil produced globally. It is used in a wide range of food products such as margarine, chocolate, ice cream, and cookies, in soaps and cosmetics, and in fuels for transportation and power plants. Ecologically sensitive land, particularly in developing nations, is threatened by this demand.

Freshwater

The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. They report that they have protected more than 119 million acres of land and 5,000 miles of rivers and are operating over 100 marine conservation projects in more than 50 countries. Their work with PepsiCo includes pilot projects in 5 areas of the world, focusing on techniques that can improve the availability of clean water to meet the needs of both the environment and all water users and that can be integrated into future applications of this methodology. Their target in each area is a positive water balance, meaning that for all water used in their manufacturing process, they would give the same amount of water back to local communities through in-plant processes to reduce water use, as well as programs and interventions to create greater freshwater access in local areas (The Nature Conservancy, 2012).

PepsiCo, Global

PepsiCo focuses on three global businesses: snacks, worth US$32 billion annually; beverages, worth US$34 billion annually; and nutrition at US$13 billion annually. Their approach to sustainability has been incorporated into their Performance with Purpose policy, a guide to future growth with a focus on performance and sustainability from human and environmental perspectives. As one of their top priorities, water conservation has been the focus of several initiatives. A tool has been created to evaluate and improve how water is handled in their own and in their bottlers/suppliers and co-packer partner plants. In addition, they are working with The Nature Conservancy to achieve positive water impact in high-risk areas and identify locally relevant water restoration initiatives that will improve water availability (PepsiCo, 2012).

CORPORATE APPROACHES (continued)

Source: *Mintel.com*

By 2030, demand for water is forecast to be 50% higher than today, and withdrawals could exceed natural renewal by over 60%, resulting in water scarcity for a third of the world's population. With more than two-thirds of all water being withdrawn by agriculture, and with growing risks from climate induced changes in rainfall patterns, greater droughts, melting glaciers and altered river flows, food security is at stake if a solution is not found. (2030 Water Resources Group 2009).

Sustainable Consumption on a Local Level

Small and medium-sized companies are also embracing sustainability, but limited human and financial resources can make certification very challenging. Instead, more creative "back-to-basic" approaches often are employed. One such model is a mesh company. These small independent companies offer products, services or raw materials that can be shared within a community, market or value chain, like car / bicycle sharing services or commercial kitchens for small entrepreneurs needing a place to produce their small batch product. They tend to make extensive use of consumer and demographic data to establish the business location and then social networking to build a client base.

IN THE MARKETPLACE

Many food and beverage products use their packaging to promote their association with one or more of the numerous certification programs that currently exist. Some examples have already been highlighted in the report, however some additional global examples are provided below:

Pomì Passata di Pomodoro (Tomato Purée) is a 100% Italian tomato purée, described as fresh, dense and fragrant and produced from selected ripe tomatoes rich in the antioxidant lycopene. The product is fully traceable and the packaging features the FSC (Forest Stewardship Council) and Legambiente (environmental association) logos.

Source: *Mintel. GNPD*

Alpro Soya Dessert is a soy-based chocolate dessert free from genetically modified organisms (GMO), lactose and gluten, low in saturated fat and produced in a nut-free production plant. It is enriched with calcium and vitamins and free from preservatives, colourants and sweeteners. According to the manufacturer, the production of soy protein uses less land, water, and energy with fewer emissions than animal protein.

Source: *Mintel. GNPD*

The Original Crunchy Absolute Nuts Müesli is a vegetarian product that is a source of fibre, is low in salt, and contains no artificial colours, preservatives, flavours or GMO ingredients. The cereal is made with conservation grade cereals, which means that farmers set aside 10% of their fields for flora and fauna, in particular butterflies and bees.

Source: *Mintel. GNPD*

Purity Organic Tea for Babies and Toddlers is produced using organically grown rooibos. The product is free from preservatives, caffeine, colours and artificial flavours, and contains natural antioxidants to help protect the body. It is claimed to be farmed in such a way as to ensure the sustainability of the environment.

Source: *Mintel. GNPD*

CONCLUSION

The concept of sustainability is very complex: primarily comprised of environmental issues, it also encompasses economic and social concerns. The understanding of sustainability for food and beverage producers will evolve over time as knowledge and technology grows and consumers dictate the individual attributes that resonate most strongly through their purchasing decisions. This environment provides companies many opportunities to develop products and brands that meet the long term financial and resource viability of their businesses, and that also appeal to consumers who will become more sophisticated in their approach to sustainable purchases .

Literature suggests that the successful launch of many sustainable-oriented initiatives have been hampered by their use of industrial, technological or standards jargon to offer consumers confidence in the product. Although that assurance must be there from a transparency perspective, communication is most effective when targeted to consumer definitions, or what is relevant to them on a day-to-day basis. Health and wellness, local, socially responsible, environmentally responsible, simple and convenient are all themes that resonate with consumers under the sustainability umbrella. Also important is the need to communicate about sustainable choices using a variety of tools each targeting a specific consumer segment, or a specific issue in order to raise awareness, increase familiarity and understanding, and help inform their purchasing decisions.

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