

PROVE IT:
Using Stewardship to Market Advantage



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Food Alliance

A 10 year old, national non-profit organization that works to create market rewards for sustainable agricultural practices.



Food Alliance

- Began as joint project of WSDA, Washington State University, and Oregon State University in 1993
- Non-profit created in 1997
- Certification program launched in 1998.



The Value of Collaboration





Food Alliance

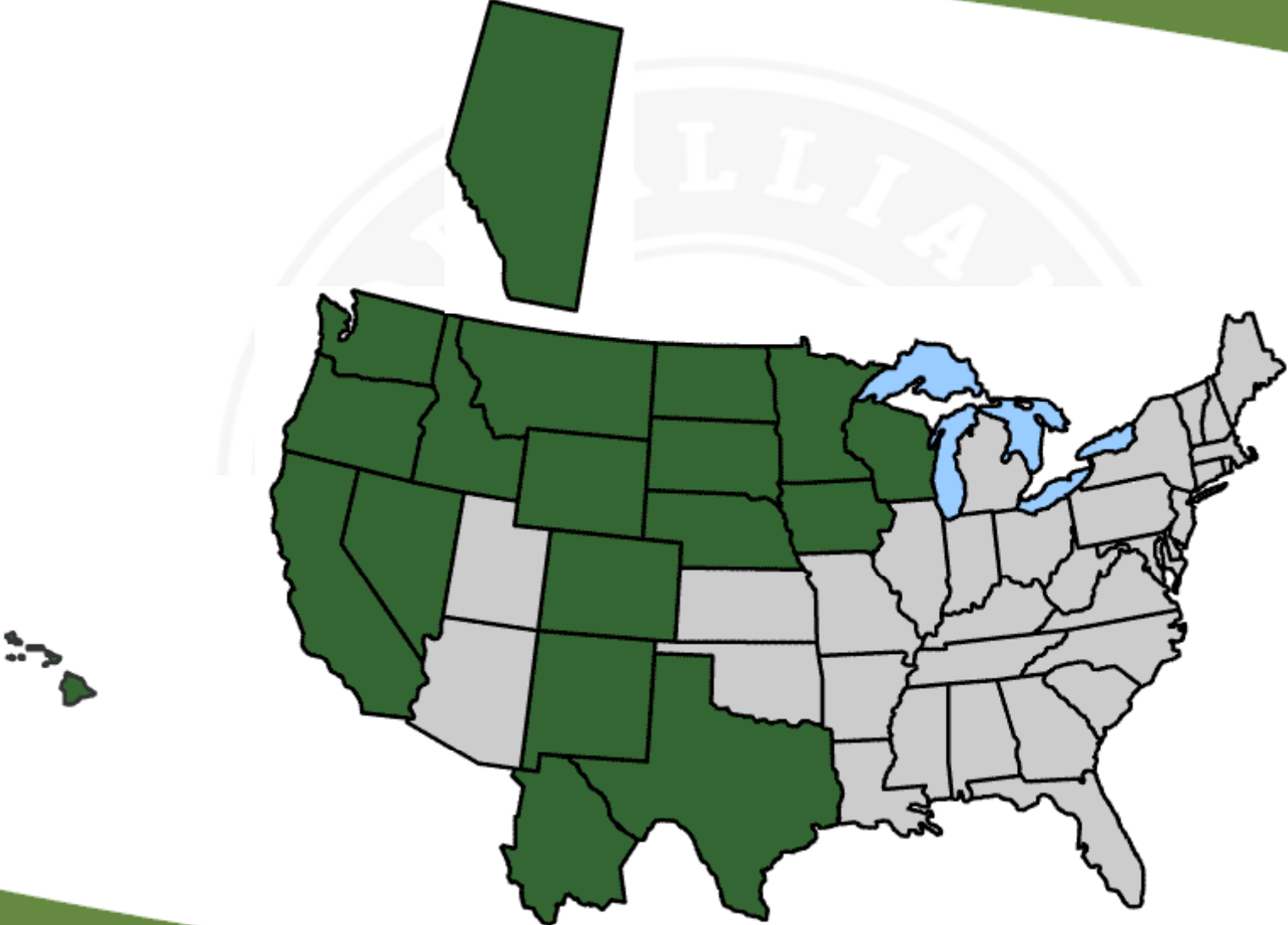
Operates a third-party certification program and a market development program to connect sustainable growers with food businesses

- Sets standards for sustainable agriculture
- Verifies compliance with standards
- Helps connect sellers and buyers of certified products

Food Alliance's Certification Footprint

- 275 farms and ranches
- 5.2 million acres of range and farm land
- 21 food processing and distribution facilities
- Over \$82 million in sales of certified products in 2006







Crop and Livestock Standards

Apple
Asparagus
Banana
Barley
Beans
Beets
Chard
Citrus
Blueberry
Broccoli
Brussels Sprouts
Cabbage
Caneberries
Carrot
Cauliflower

Chestnuts
Cherry
Chives
Collards
Corn
Cranberry
Cucumber
Currant
Eggplant
Garlic
Gooseberry
Grape
Hazelnut
Herbs
Horseradish

Kale
Leek
Lettuce
Melons
Mushrooms
Mustard
Onion
Parsnip
Pea
Peach
Pear
Peppers
Potato
Radish
Rapeseed

Rhubarb
Rutabaga
Scallion
Spinach
Squashes
Strawberry
Sweet Potato
Tomato
Turnip
Vine crops
Wheat
Beef
Dairy
Lamb
Pork



A Changing Market

- A shift in consumer interest toward companies, brands and products that embody values
- Interest not only in product attributes, but also in what the product represents, and what it says about the buyer

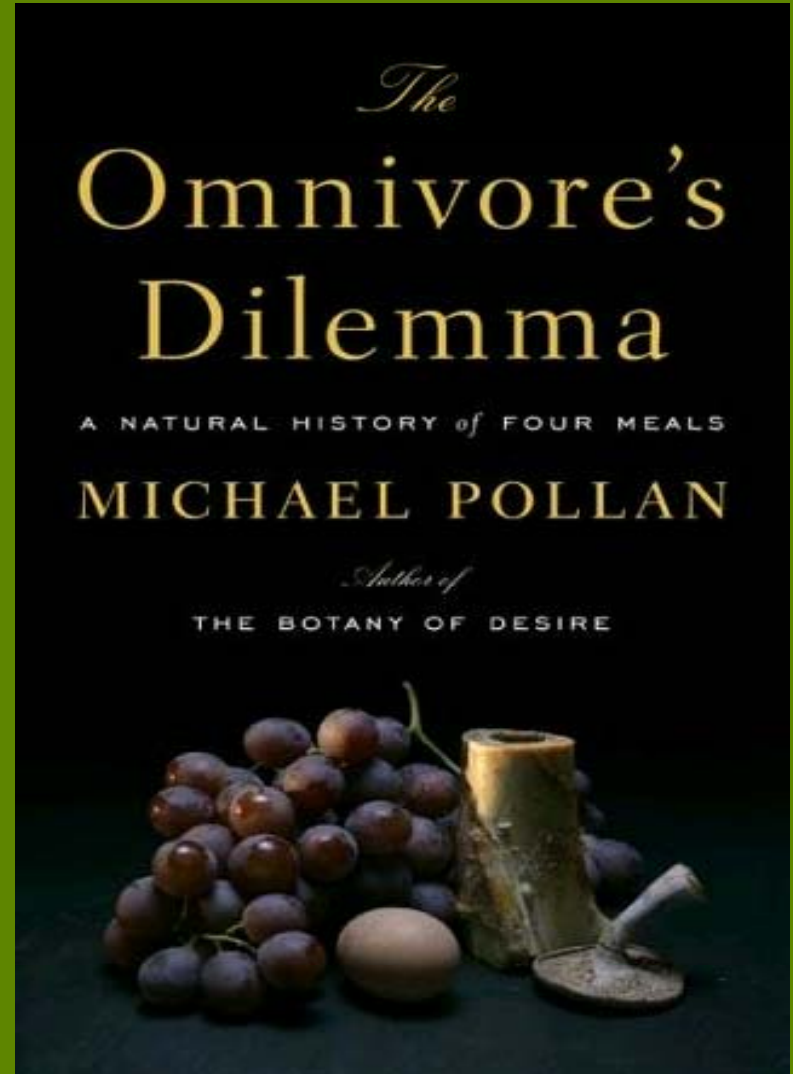
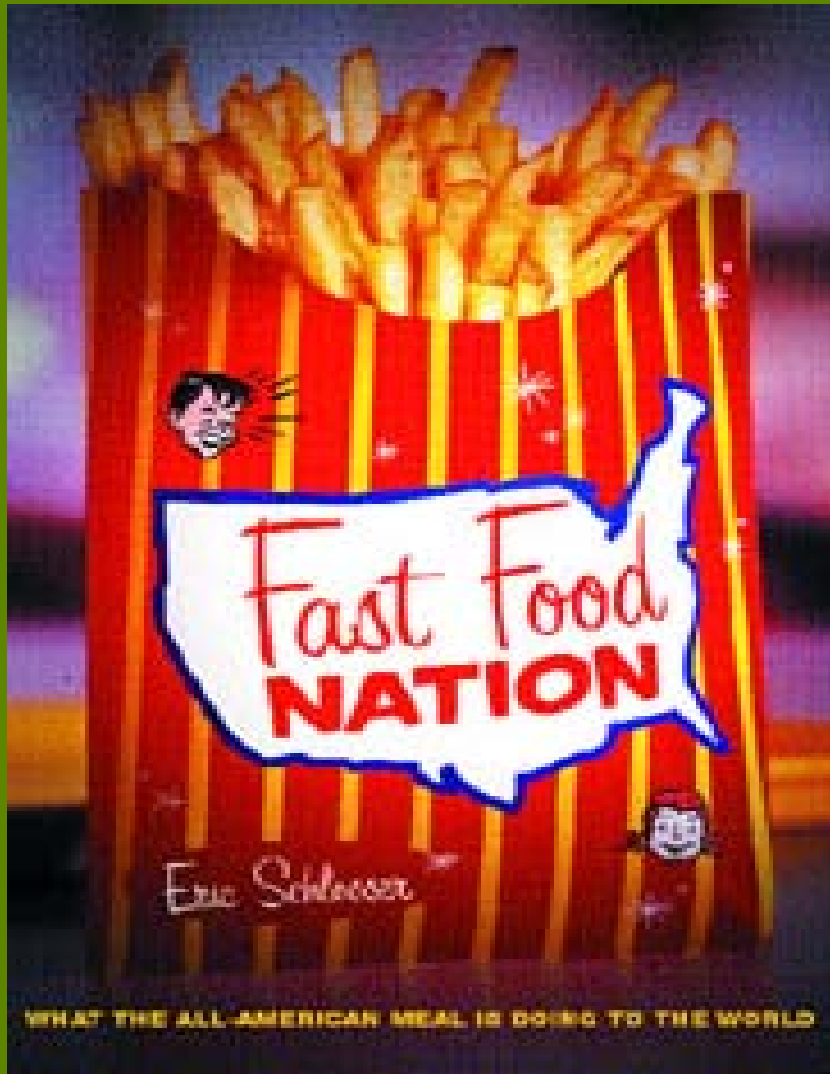


A Changing Market

“People want to know what lies behind a brand and the extent to which its values are aligned with their own... Today, the issue is what a brand says about someone, as a badge indicative of the individual’s values and view of the world.”

Chris Pomfret, Unilever Marketing Executive

Consumer interest in food issues
is at an all time high.



SUS·TAIN'·A·BLE (s)

1. To keep in existence; maintain. 2. *"is environmentally sound" or nourishment; provide for economically viable".* 3. resolution of; encourage: *socially desirable".*



**Sustainable
Agriculture**

Locally Grown Foods

Family Farms

Labor Conditions

Animal Welfare

Toxicity – Pesticides, Herbicides, etc

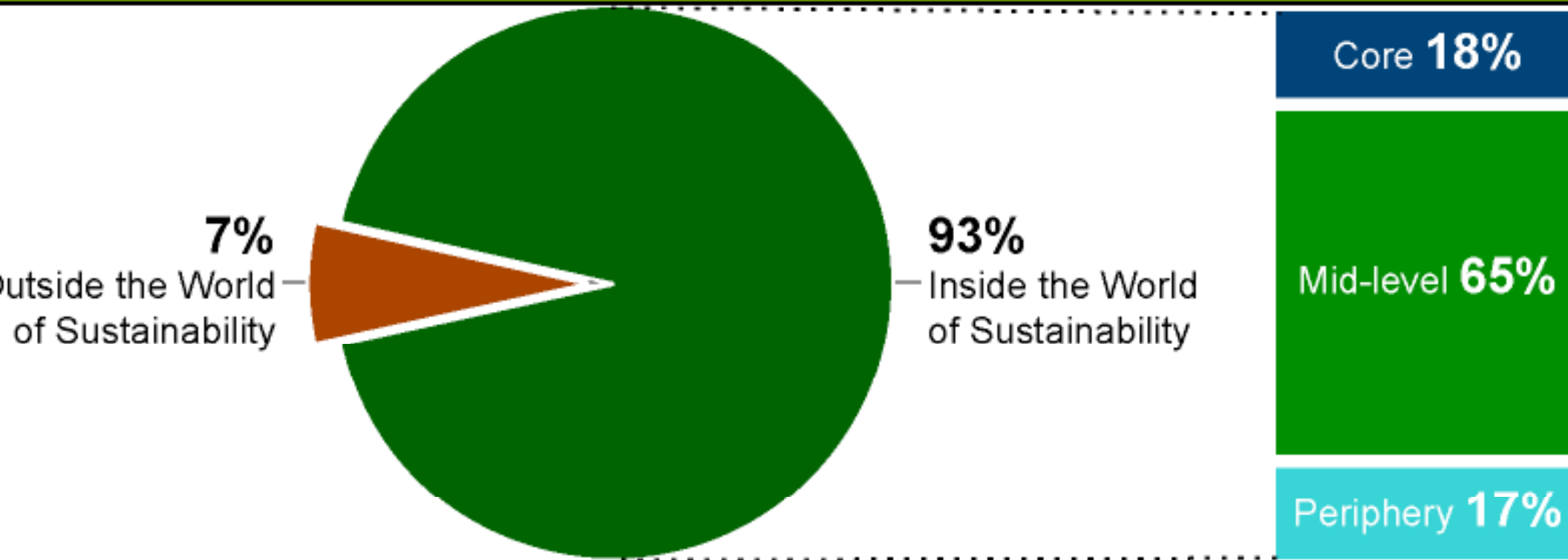
Antibiotics & Hormones

Genetic Modification

Soil and Water Conservation

Wildlife Habitat

The World of Sustainability



Source: The Hartman Group 2007 Sustainability Survey (n=1,606).

Consumer Segments within the World of Sustainability

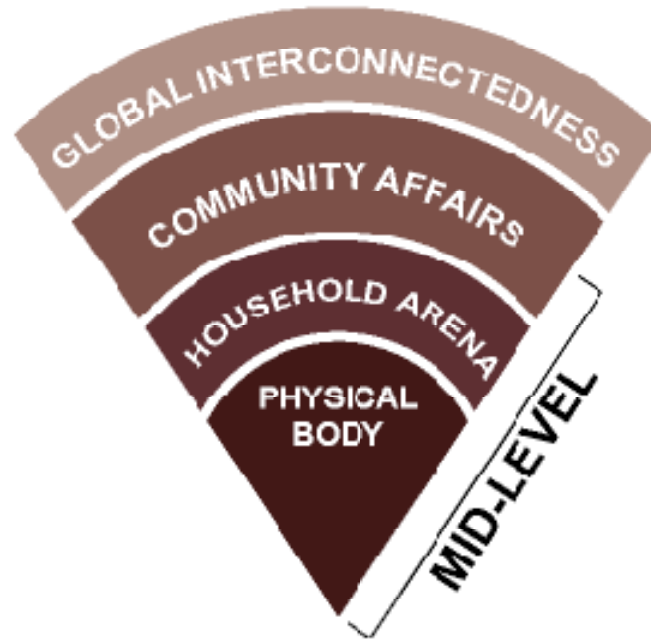
Periphery Consumers (17%)

tend to concentrate their awareness of risks on their personal lives and bodies



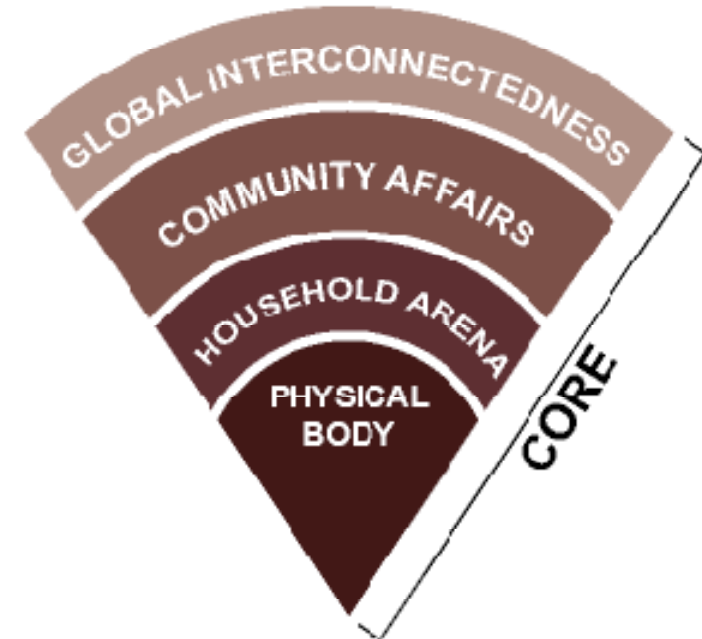
Mid-level Consumers (65%)

tend to focus on the body, but also include their surroundings at home and immediate community



Core Consumers (18%)

tend to extend their risk awareness outward from the body to broader environments



Source: The Hartman Group 2007 Sustainability Survey

How Often Purchasing Decisions Are Based on Environment and Social Well-Being Issues?

Usually -- **19%**

Sometimes -- **67%**

Rarely -- **14%**

Do You Sometimes Select Products Because They are Marked with a “Green Seal” or Other Eco-Friendly Label?

Core -- 83%

Mid-level -- 53%

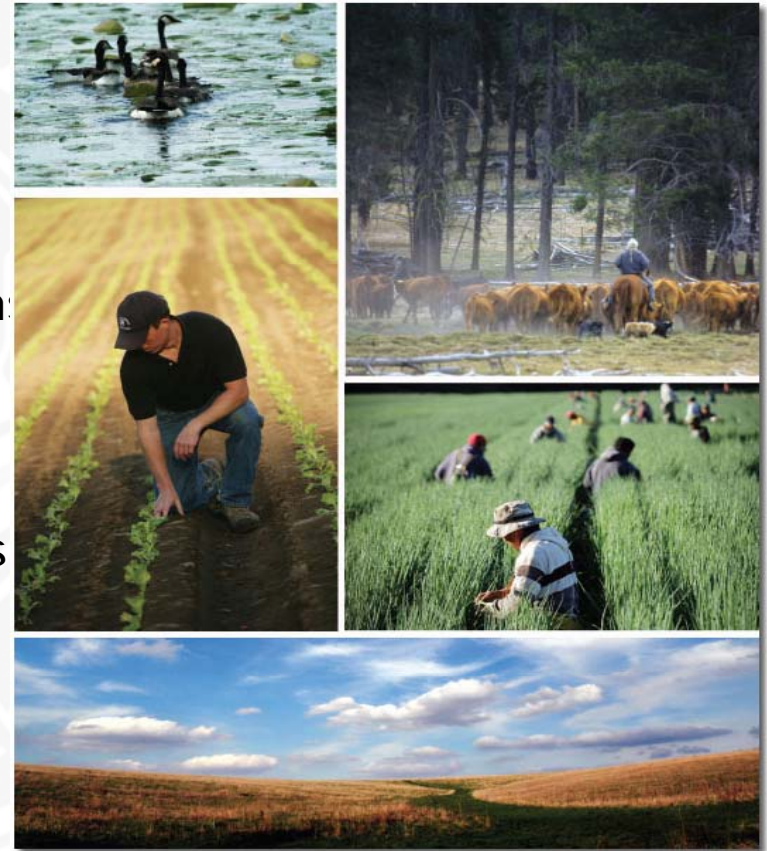
Periphery -- 18%





Food Alliance certifies farms & ranches that

- Conserve **soil & water** resources
- Preserve & protect **wildlife habitat**
- Provide safe & fair **working conditions**
- Reduce **pesticides** usage & toxicity
- Raise crops without genetically modified organisms (**GMOs**)
- Raise animals without synthetic **hormones** or non-therapeutic **antibiotics**
- Provide healthy & **humane treatment** of animals
- Commit to **continuous improvement** of these sustainable practices





Food Alliance certifies processors & distributors that

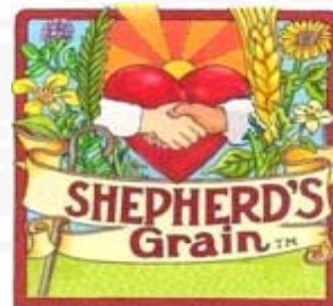
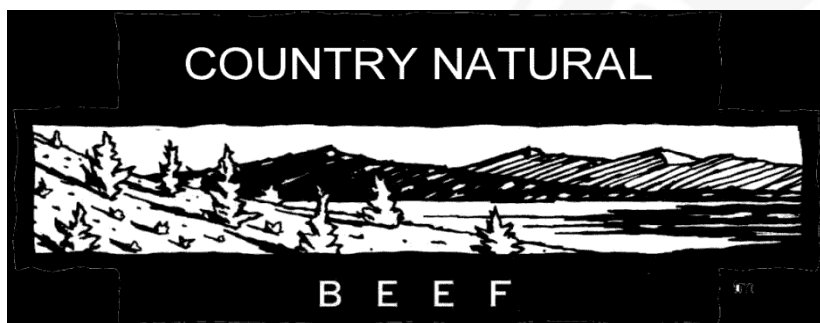
- Use Food Alliance Certified **ingredients** from certified farms and ranches
- Create **natural products** considering both purity and nutritional value
- Ensure quality control & food **safety**
- Responsibly manage **water** and **energy** resources
- Responsibly manage **waste** with emphasis on recycling & reuse
- Provide a safe & fair **work environment**
- Commit to **continuous improvement** of sustainable practices





Who's getting certified?

- Individual farms
- Producer groups, Co-ops
- Processors/Manufacturers



" We knew from the start that Oregon Country Beef's principles, values and wholesome operational practices were a perfect match with ours and our brand. . . Now, we can assure our guests that our beef is the safest available and has been raised with the best ranching practices. . . With the public's heightened interest in food origins and concern about genetically modified foods, we're proud that our beef is traceable from the ranch to the table and has been certified by Food Alliance. "



Burgerville President Tom Mears



Lessons Learned

Certification is not a Better
Mousetrap



Lessons Learned

People Buy Products – Not Labels

Dimensions of Consumption

Must Have

- Quality
- Convenience
- Price

Additive

- Personal Benefits
- Values
- Authenticity
- Brand
- Label



Lessons Learned

Certification Verifies
and Substantiates Claims



It's About TT&A

- **Traceability** (What is the source?)
- **Transparency** (What are the standards?)
- **Accountability** (Have the standards been met?)



Lessons Learned

Certification is not for Everyone



Lessons Learned

Certification is a Tool
that Supports Your Brand
and Your Marketing and Sales
Strategy



Producers benefit most from certification when they:

- Label their products
- Get marketing assistance
- Invest in promotional and educational materials
- Create strong, 'high-touch' relationships with customers
- Talk about their certification and what it means



Tell a Story
Be Specific
Be Truthful
Be Relevant
Be Clear

Provide Enough Information



Lessons Learned

Certification is Not
Just About Price Premiums



- Meet customer product specifications
- Manage environmental risks
- Manage regulatory risks
- Manage marketing risk – “stay on the shelf”
- Improve community relations
- Protect and enhance brands
- Differentiate products
- Increase customer loyalty
- Gain access to new markets
- Gain access to contracts
- Increase sales
- Improve pricing



Self-Assessment Tool

A web-based tool that allows producers to determine whether Food Alliance certification is a good fit for their operations.

www.SAT.foodalliance.org



www.foodalliance.org