

# Farming for the future



MEDIA BRIEFING, 3 NOVEMBER 2009



## Agenda



- Welcome - Julian Novak
- Overview - Simon Susman
- Soil health in South Africa - Mark Botha
- Woolworths commitment to sustainable farming - Julian Novak
- The technical details - Kobus Pienaar
- A farmer's perspective - Flip Nel
- Q&As
- Lunch



## Overview



SIMON SUSMAN

## Soil health in South Africa



MARK BOTHA

## Woolworths commitment to sustainable farming



JULIAN NOVAK



## Woolworths commitment to sustainable farming



- Part of our Good business journey
- Conscious of the impact we have on the environment
- Committed to sustainable practices
- Support free range, predator friendly farming, organics, sustainable fishing
- World's most responsible retailer: 2008

### Key milestones:

- 1999: First major retailer in South Africa to offer organic food.
- 2006: Adopts Eurepgap.
- 2007: Eurepgap becomes Globalgap. Woolworths continues to follow model.
- 2007: Launch Good business journey.
- 2009: Launch of Farming for the future.



## Farming for the future: The technical details



KOBUS PIENAAR

## How does produce grow?



### Plants need the following to grow:

- **Sunlight:** readily available
- **Air:** abundantly available and taken in through the plants' leaves
- **Water:** a natural resource that is under threat
- **Good soil:** South African soil is under threat due to erosion and pollution

## Understanding South Africa's agricultural environmental issues



1850 to 1950	1950 to 1983	1983 to 1995	1995 to current	Future
Use of artificial fertiliser and pesticides began	Use of artificial fertiliser and pesticides increase dramatically	Experts begin to question environmental impact of these farming methods	Organic certification GMO products introduced	Reduce environmental impact without compromising availability of food
High yields believed to be result of these artificial inputs	Food production soars	The sustainability of farming comes under pressure	Food security becomes an issue Consumers question impact of farming on environment and want to know what retailers are doing about it	Minimise physical degradation Minimise use of fertilisers and pesticides Protecting water resources



## The potential risks of conventional farming



- **Soil fertility will decline further**
  - Overuse of fertilisers increases salinity of soil and decreases fertility
  - Irresponsible use of agro-chemicals disturb the balance of the micro-organisms that feed produce
  - Over-cultivation disturbs micro-organism and organic matter balance
- **Water resources will be at a greater risk**
  - Water cannot be retained in compact, hard, lifeless soil
  - Chemical run-off into underground water tables, rivers and dams will continue to increase
  - According to WWF, demand for freshwater will exceed availability by 2025



## The potential risks of conventional farming



- **Biodiversity is at risk**
  - Chemical over-use threatens farming-friendly insects, birds and other animal life and threatens endangered plant species (directly and indirectly)
  - Additional land will need to be used for agricultural purposes, further harming biodiversity due to declining yields and greater demand for food
- **Input costs rise**
  - Agro-chemical input costs fluctuate with increases recorded as high as 320% over the last two years



## Organic farming is good, but not the only answer



- Organic farming is not viable for all farmers and fresh produce (in certain areas, the soil and climate is good for organics, in other areas, the soil, crop and climate can't support organic)
- Organic farmers yields are inconsistent
- Woolworths will continue to offer customers choice – both organics and Farming for the future

### **Woolworths solution:**

- Farming for the future uses the best elements of organics
- Woolworths is phasing out conventional farming to Farming for the future which is a more sustainable way of farming
- By the end of the 2012 financial year, Woolworths aim to sell 6% organic, 9% seasonal imports and 85% Farming for the future fresh produce



## Why Farming for the future is better for the environment



- It improves soil health through decreased use of herbicides, pesticides and fertilisers
- It conserves water resources
- It reduces chemical run-off into water tables, river systems and dams
- It protects and promotes biodiversity
- It allows the earth to more efficiently bind carbon, so mitigating against climate change

**The key to this approach is ongoing measurement and encouraging farmers to constantly improve.**



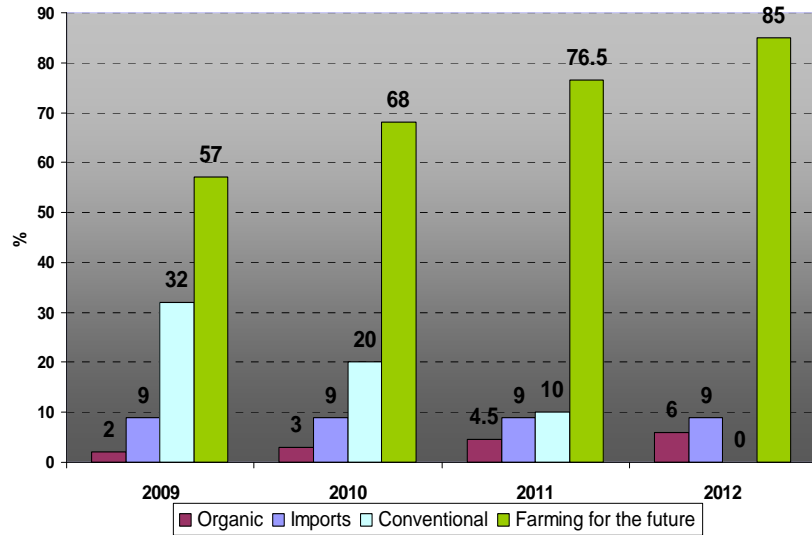
## What is new or different?



	Conventional	Organic	Farming for the future
<b>Farming philosophy</b>	Focus is on yields and artificial inputs	Farming that follows organic principle.	Combining best of organics with best of conventional farming  Over time, reduces dependency on conventional
<b>Soil fertility</b>	Uses artificial fertiliser, within prescribed limits	Adds compost and organic fertiliser to soil	Adds compost and organic fertiliser to soil  Only adds artificial fertiliser when necessary to correct levels of plant nutrients. Farmers' dependency on artificial fertilizers will decline
<b>Pesticides and herbicides</b>	Added within legal limits	Organically certified chemicals, herbicides or pesticides (IFOAM)	Only when necessary to control unwanted insects or disease, and restore balance  Farmers' dependency will decline
<b>Yields and availability</b>	Yields and availability depend on ever increasing inputs	Inconsistent yields and limited availability	Aim to improve yields and availability
<b>Measurement</b>	Globalgap standards	Organic certification	Continuous measurement and improvement.



## Farming for the future targets



## Measurement and auditing



### What we measure:

- Soil management
- Pest and plant management
- Water management
- Biodiversity management
- Waste water management

### How we audit:

- Baseline audit by Enviroscientific (see press pack) in 2007/2008
- Annual audits to determine level of Farming for the future integration, provide targets and measure results
- Training of farmers

## Farming for the future: Case study



FLIP NEL



## Labels on produce



Farming for the future products will be identified by:



### ▪ Labeling on pack

- Customers will see the Farming for the future logo on some fresh produce from this month
- Produce from farms that are at least 75% compliant with the Farming for the future criteria, will carry the full label
- Produce from farms that are from 50 to 74% compliant will carry an "in conversion" label



## Where we're going



- By the end of the 2012 financial year, all locally grown fresh produce at Woolworths – which accounts for over 90% of our fresh produce – will be certified organic or grown using Farming for the future methods.
- Farming for the future will not cost the customer any more.
- This is a journey - as with our farmers, we want our customers to join us.



## Questions



### Panel:

- Julian Novak: Divisional Director of Foods
- Kobus Pienaar: Food Technologist – fresh produce
- Magda Combrink: Produce & Horticulture Technical Manager
- Cecil Mitchell: Head of Food Technology
- Flip Nel: Farmer and Woolworths fresh produce supplier



Thank you

