



Illustration: Cured tobacco in Indonesia and cigarettes in production at our factory in South Africa.

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SUSTAINABLE AGRICULTURE

BRITISH AMERICAN TOBACCO STAKEHOLDER DIALOGUE REPORT

In November 2011, British American Tobacco and the Food and Environment Research Agency (Fera) co-hosted an independently facilitated stakeholder dialogue that focused on the challenges confronting agriculture, both now and in the future, and how they might be addressed.

There is a growing realisation that many of the social, environmental and economic issues confronting the world are inter-linked and require collaborative solutions that utilise the skills, knowledge and resources of different stakeholders. Climate change provides one example of how the public and private sectors – and society at large – are mobilising resources and altering behaviour in recognition of the risks that confront this planet. However, in other areas, including the development of more sustainable agricultural practices, the willingness to co-operate and to make the fundamental changes required, are much less advanced.

Agriculture and global food security is faced by what some have termed a ‘perfect storm’. Increases in the world’s population (the Population Division of the UN Department of Economic and Social Affairs estimates there will be around 9 billion people by 2050) and changes in diets that accompany rising incomes have driven a growing demand for food. At the same time, there is competition for land and other resources, such as water, while the continuing drift of rural populations into urban areas reduces both the numbers and expertise available to the agricultural sector. There is, too, pressure on farmers and the businesses that purchase their produce to avoid, minimise and mitigate negative environmental and social impacts and to ensure that food safety standards are paramount. All of these things are played out against a backdrop of the uncertainties engendered by climate change and, in particular, how current weather patterns may alter over the coming years.

Recognising that solutions to these issues can only be developed and implemented with the help and support of a wide range of stakeholders, British American Tobacco and Fera convened this dialogue with the aim of clarifying the challenges and starting that process of collaboration and cooperation. The desired outputs were to:

- Establish a shared understanding of the issues that confront agriculture globally;
- Develop a framework containing a range of prioritised responses to the issues and associated risks; and
- Secure agreement from participants to develop the framework further outside the meeting and to work together on particular aspects of it.

The participants included representatives from academic and research bodies, UK government departments, NGOs, specialist consultancies, and other large companies with interest and/or expertise in the promotion of more sustainable approaches to agriculture. They were joined by researchers from Fera and individuals from British American Tobacco, that were intimately acquainted with the Group’s agricultural supply chain.

The session – facilitated by Acona Partners LLP, a specialist consultancy that advises clients on sustainability issues – included presentations from Keith Jones of CropLife International and Dr Julian Smith of Fera. The former provided context for the day’s discussion by describing the challenges and risks confronting the sector; the latter explored the debate between different approaches to agriculture and presented some challenge on the recently advocated direction of ‘sustainable intensification’ – producing more, while being more resource efficient and sustainable.



Participant: The significant positive intent in the room is very clear and mirrors society concern, but unless a society position can be articulated quickly, as to what success looks like [for global food security], this may well dissolve. ”

In the course of the day, the participants agreed on what they regarded as being four elements of an effective framework for moving from the rhetoric of good intentions to the reality of agricultural practice: in meeting the food and other needs of people while safeguarding the environment and rural livelihoods:

- There needs to be **robust and appropriate regulation, supported by relevant policies**, to ensure compliance both with global standards and to address specific issues in different countries;
- These serious and various challenges will require the adoption of more **economic and ecologically efficient agricultural practices**;
- These practices will be implemented through **appropriate tools and technologies** to deliver sustainable outcomes; and
- Having the 'right' responses is only part of the battle – **improved communication and education** throughout the agricultural supply chain are fundamental to translating strategies and policies into action and ensuring that tools and technology are adopted at the farm level.

British American Tobacco and Fera are currently considering how to ensure that the insights and ideas generated during the session can form the foundations for further dialogue and, more importantly, action.

Regulation and policies that are fit for purpose

Participants considered the positive merits on a 'base layer' of regulations covering the agricultural sector to address deficiencies in the market, protect fundamental rights (social, environmental and economic) and control risks (both real and potential). It was evident that regulation should concentrate on outputs and include, wherever possible, clear goals, targets and benchmarks.

These measures should be informed by detailed research into farmers' livelihoods. Compliance would require oversight by suitably resourced and competent national/international bodies. Participants emphasised that formal regulation should dovetail, where appropriate, with self-regulation and voluntary initiatives that build on existing structures. Specific areas to be covered would include human rights, occupational health and safety, use of chemicals (pesticides and fertilisers), producer and consumer safety and environmental standards.

A key element in driving forward this agenda would be to focus government interest, especially in countries in the developing world, on agriculture and food. This would require extensive engagement with the relevant authorities to raise awareness of the importance of agriculture and food, and the challenges it faces, alongside the establishment of public and private sector partnerships and the availing of knowledge to ensure that policy-makers base regulation on the best possible information. Likewise, government needs to continue, or increase its efforts, for informing stakeholders, especially consumers, about sustainability issues. In the same way that regulation has to be underpinned by governments understanding farmers' motivations and behaviours, so there is a pressing need for an improved understanding into how consumers make decisions about what they purchase.

Eco-efficient agricultural practices

All stakeholders, including those in the public and private sectors, have a vested interest in improving the efficiency of agriculture to realise economic and ecological benefits. Participants believed that a major barrier, currently, to making the improvements necessary was the failure to understand the constraints on farmers in different regions and farming systems and the extent that these were both generic and specific. Participants suggested that the best way to remedy this deficiency was through a series of in-depth studies, coordinated nationally and internationally, that drilled down to the local level and assimilated findings throughout the value chain.

Undertaking this research should not prevent action in other areas, the most notable of which is the elimination of post-harvest losses. Participants highlighted the fact that 20–40 per cent of all food grown is never eaten. Reducing this amount would go some way to meeting the needs of a growing global population.



Rick Mumford: Fera, as a broker of evidence-based policy for the UK Government, realises success can only come through fuller and more coherent actions amongst the multiple stakeholders of food chains and when rooted in consumer values. ”



Participant: There is a real need for a multi-disciplinary approach that links science, business and government policy, and which aligns with wider economic development. ”



Participant: We shouldn't just focus on those examples that have been successful. There's a lot to be gained from understanding why things have failed. ”



Participant: A 70% increase in demand does not necessarily mean a 70% increase in production. Minimising food waste will go a long way to bridging the gap. ”



Keith Jones: The challenge is to increase productivity and simultaneously meet society's expectations for minimal risk, including risk to human health and to the environment. ”

Again, partnerships between the public and private sectors have a crucial role to play in improving agricultural infrastructure – such as storage and processing capacity – as do the creation and support of farmer groups and co-operatives. The latter also offer the prospect of small-holders establishing certification schemes to differentiate their produce. One practical area for cooperation suggested by participants was to capitalise on the operational logistics capacity of multinationals (including those operating in other economic sectors).

A recurrent theme was the huge importance of extension services and the transformative role they had to play in agricultural sustainability. Especially for developing countries, the need to realise higher and year-on-year more reliable yields closer to realising yield potentials was seen as a key area of address: pre-harvest losses to biotic and abiotic factors stand to increase under future climate change scenarios. Linking farmers to scientists through extension services would help to promote good practice at the most basic level and ensure rapid feedback on what works and what doesn't. Extension services will be central to improving input-use efficiency (both natural – e.g. water – and manufactured – e.g. pesticides). This 'precision farming' and the application of other technologies to get a larger impact from a smaller input will require significant investment in research and development and closer working relationships between suppliers and extension services.

Matching tools and technologies to needs

Participants acknowledged how the dissemination of both high- and low-tech solutions (including those from the historic 'toolbox') can offer the prospect of dramatic improvements in efficiency. However, there is a need to ensure that there is a workable match between the intended benefits and needs of local farmers.

Participants recognised the huge potential of e-technologies, including social networking and other new media, to provide advice and feedback in real time – for example, on pest outbreaks/control, weather forecasts and market prices. Participants believed that extension services provide the most appropriate vehicle to embed such new tools and technologies among farming communities and they will be central to the knowledge transfer required to maximise their effectiveness. Extension services will also provide the link to government policy and the gateway to financial support from both the public purse and private sources.

Other specific areas where new tools and technologies need to be developed include:

- Improving soil health – this will require investment in scientific research and, again, partnerships between the public and private sectors.
- Breeding plants that are resistant to biotic and abiotic factors, and of improved nutritional value and productivity. Realising this will require governments enacting a supportive policy framework that promotes long-term finance from the private sector to provide the research infrastructure.
- Addressing the current inefficiencies within food processing to reduce waste and increase farmers' opportunities for income generation.
- Making more and cheaper energy available to the agricultural sector through biofuels, gasification and anaerobic digestion.

Communication and education

As has been stated already, participants were hugely positive about the contribution that extension services can play in communicating how to bring about the – sustainable – agricultural revolution required to meet the world's needs. Over and above that, participants identified the importance of improved communication and education that embraces all stakeholders (including national and supranational governmental institutions, corporate sector, finance providers, consumers and, of course, farmers).

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Participant: Sustainable agriculture starts with farmers – it needs to be affordable AND sustainable. ”

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Dr Julian Smith: It isn't just about increasing yield – more about breeding for resilience to narrow the gap in yield potential under low-input systems. ”

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Participant: Agriculture isn't just about technology issues, it's about people. We need a greater understanding of the socio-economic issues that are barriers to delivering technological solutions. ”

Participants believed that the first stage in bringing the necessary improvements in communication would entail detailed stakeholder mapping to identify the right people and organisations to work with to influence and to improve value – economic, social and environmental – within the agricultural supply chain. Such an ambitious programme of research will require careful coordination and will have to draw upon local knowledge.

Once the key influencers and actors are identified the emphasis will switch to creating and sustaining alliances – possibly with the help and support of independent third parties. These alliances will, wherever possible, utilise existing relationships and channels of communication (as well as new media) and be underpinned by effective governance structures. They will facilitate knowledge transfer allowing the promulgation of best practice and ensure connectivity between research and the delivery of improvements in sustainability.



Participant: We need to make better use of what already exists and improve the ways we transfer information. ”

For more information



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Assurance

As part of our process for providing assurance on British American Tobacco's Sustainability Report, we have carried out a 'reasonable level' of assurance engagement on the information presented in the Report on the London-based stakeholder dialogues, of which this was one.

To view our conclusions and observations, or for more details, see our online Assurance statement in the British American Tobacco Sustainability Report at www.bat.com/sustainability.

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