CASE STUDY: UNILEVER AND THE COOL FARM TOOL

Carbon footprint data collection from agricultural suppliers using the Cool Farm Tool

Background

Agriculture and forestry are responsible for a significant share of global greenhouse gas emissions and therefore are major drivers of climate change. Half of Unilever’s raw materials come from agriculture and forestry, and given the scale of our global footprint, understanding and helping to reduce emissions from these sources is important for our business and brands. Consequently, we have committed to sourcing 100% of our agricultural raw materials sustainably by 2020 and are on the path to do so. Sustainable sourcing will help us to ensure that we are protecting the planet’s natural resources as well as managing a core business risk by ensuring security of supply for the long term.

Unilever and Sustainable Agriculture

Unilever has long worked on sustainable agriculture and published several Good Agricultural Practice documents for our key crops. In 2010 this was consolidated into the Unilever Sustainable Agriculture Code [http://www.unilever.com/images/sd_Unilever_Sustainable_Agriculture_Code_2010_tcm13-216557.pdf]. The code is our definition of sustainable agriculture and with this code we ask our suppliers, and the farmers who supply them, to adopt sustainable practices on their farms. All our suppliers of agricultural raw materials are expected to commit to the sustainability journey and to demonstrate that they comply with minimum standards of performance and strive to continuously improve performance over time. In parallel, since 2008, Unilever have worked with the University of Aberdeen and the Sustainable Food Lab on developing the Cool Farm Tool (CFT). The tool is used as a means for us to work with our farmers, to understand and measure their greenhouse gas profile and to measure progress over time.
Rolling out the tool

Suppliers and farmers assess themselves against the Unilever Sustainable Agriculture Code using our online platform Quickfire, managed for us by Muddy Boots software (http://en.muddyboots.com/). The CFT has been embedded into the code through this platform in order to calculate the carbon footprint metric on a per crop basis. This is the first time we have used the tool in our supply chain and for this first year it has been aimed at suppliers who are required to fill in the data for one ‘typical’ farm in their supply chain. Suppliers that supply more than one crop to Unilever must complete the tool for each crop. The selection of a ‘typical’ farm is essential to accurate emissions accounting and the monitoring of continuous improvement. We ask suppliers to select a farm that best represents their farmer base that supply to Unilever for the crop in question. We understand the challenges of providing information of this level and so we have provided guidance through documentation, webinars and focused online and in person training sessions.

Currently we are approaching our fruit and vegetable suppliers, reaching out to a global network covering hundreds of suppliers and thousands of farmers.

What’s in it for them?

Farmers are faced with continually increasing pressures. World food production will have to increase by 50% to meet growing demand and so farmers are under strain to produce more with less land, use less input and continue to produce high quality food stuffs at a lower price. Additionally pressures of climate change and the potential for agriculture to sequester emissions is becoming more important in political agendas. By providing our agricultural raw material suppliers with the guidance and tools to measure their farm GHG emissions, we believe that this can not only help them to understand where their impact hotspots lie, but begin to make productivity improvements, lower emissions and showcase the great work they are doing. We also hope that it will help both us and them to stay ahead of the curve and be prepared as this type of emissions reporting and disclosure becomes more prominent and potentially put into regulation.
Challenges

Collecting greenhouse gas information at this level and on this scale has not been widely done before and it is not an easy feat. We have faced several challenges along the way thus far, and are likely to face several more yet. However, we are working on each challenge as it arises and we’re trying to develop joint solutions with our suppliers to overcome and learn from them. Some of the challenges and questions we have faced include:

- Language issues, units of measure confusions
- Crop representativeness
- Representing new practices not included in the tool (e.g. drip irrigation)
- Including fertilisers not currently included in the tool options
- Allocation of emissions between different crops (e.g. for energy use).

Many of these issues will be common amongst our peers using the tools in global supply chains and we are working both with them, through the Cool Farm Institute and with our suppliers to help streamline the process and gather as accurate GHG data as possible. It’s not surprising that agriculture was previously omitted from corporate GHG inventories largely due to the complexity and confusion associated with measuring these emissions sources, but we hope this can change through tools like the Cool Farm Tool.

Insights so far

One year of data using the Cool Farm Tool has been collected so far. We are beginning the process of understanding and analysing the data in more detail and are aiming to feed back to suppliers early next year on their performance. Additionally, we are using this first year of data to understand better where further guidance can be provided to help suppliers to get the most value from the tool and how it can help monitoring of continuous improvement overtime alongside the implementation of our sustainable agriculture code and other certification schemes in place.
Next steps

Currently, completion of the Cool Farm Tool is required only at a supplier level but from January 2013 it will become a farmer question. This means that each of the farmers who complete a Quickfire assessment will need to work out their own carbon footprint for their farm, using the Cool Farm Tool. The quantity of data that we collect will therefore increase and thus our next steps are to improve and enhance ways that we assess, manage and report back on the data we receive following this year’s experience and learning. However, the challenge of communication and training will temporarily increase.

We know that the tool requires a lot of information and that it may not always seem like a priority activity for our suppliers and farmers. However, we hope that by starting early in this measurement and accounting process we are equipping both suppliers and ourselves with the knowledge and information to help us improve together. We will continue to work with the Cool Farm Institute and other member partners to advance the sustainable agriculture agenda further.

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