



Debrief

26 November 2013

www.beef-sustainability.eu

Twitter: #sustainablebeef



Summary – key points of debate

Audience: The conference attracted 91 participants across a broad spectrum of stakeholders interested in the beef sustainability debate.

The full **agenda** is available in the annex at the end of this document.

- The [SAI Platform Sustainable Beef Principles](#) were launched by Keith Kenny from McDonald's Europe, chairman of the SAI Platform Beef Working Group. These principles cover all aspects of sustainability, including economic, social and environmental issues and some cross-cutting ones, such as traceability, feed, etc.
- The **global environment in agriculture** has changed a lot and it is **expected to change** even more in the next 20. While a few years ago the EU paid farmers not to produce, demand has since risen and the new challenge is how to produce enough.
- **The three pillars of sustainability (economic, social and environmental) cannot be viewed in isolation:** there was an agreement that while improving the environmental sustainability of beef production this cannot be done leaving farmers' economic needs out of consideration. Fortunately, according to research, those farmers that are the most environmentally efficient are usually the most profitable, too.
- **Research and innovation are essential**, however, a lot of knowledge is already available. The difference between the most efficient and least efficient farmers can be two to threefold. By sharing this knowledge among farmers and helping them implement new practices you can already achieve huge improvements;
- **The biggest challenge is to engage all farmers.** The best performing farmers could be helped or guided to educate others
- Farmers have shown that they can adapt to new challenges – policy makers can support this process by **providing a stable and predictable framework**;

Welcoming remarks



Julian Hilton Johnson, Vice-President Corporate Relations & Chief of Staff to the President of McDonald's Europe welcomed the audience and introduced the challenges of sustainable sourcing. An analysis done together with WWF has identified the six key raw materials globally in terms of impacts. For most of them the path has already been set and third party certifications for sustainable sourcing exist. McDonald's Europe has already

achieved significant results in sourcing these sustainably. However, there is much less clarity around the common path to sustainable beef than some other food groups, with no widely agreed definition or global third party certification available for its production. The scale of our operation makes influencing primary beef production at farm level a major challenge especially since we are not a farming company and we do not own farms ourselves. But we are determined to play a positive role, e.g. through McDonald's Agricultural Assurance Programme and local initiatives. In addition, McDonald's is collaborating with a range of organisations including WWF and other retailers to establish standards and principles for producing sustainable beef. An important step for McDonald's in this process was to come together with a number of organisations within the SAI Platform to understand and propose agreed solutions to the sustainability challenges faced by beef supply chain in particular.



Mairead McGuinness, Irish Member of the European Parliament underlined that there is an important need to improve the environmental sustainability of beef production in Europe, but this has to be done understanding the need for farmers to have profitable business. She pointed that the focus should be on helping farmers do "more with less". She also emphasized the importance of knowledge sharing and her hope

that the European Innovation Partnership will deliver on this. Ms McGuinness stressed that McDonald's has been a relevant actor improving the beef market in the EU and commended the company for its efforts. Ms. McGuinness claimed that beef is an important part of our diet in Europe and the future of beef must not be a lower consumption of this good, but a more efficient system of production that should lead to sustainable prices and environmentally friendly products. She warned about the future challenges of food supply and emphasized other valuable services that are provided by farmers.



Georg Häusler, Head of Cabinet – Commissioner for Agriculture and Rural Development, Dacian Cioloș, underlined that the European Commission considers the beef sector as a symbolic for the whole Common Agricultural Policy (CAP). Mr. Häusler focused his speech on the new CAP and said the new system of direct payments for farmers will mean more money for extensive agriculture and for beef around Europe. He also

claimed that the greening measures will help to implement environmentally sustainable practices. He said that while in principle everybody agrees on the need to have sustainable production, animal welfare, etc., consumers tend to focus on price when making purchasing decisions. He agreed that research and development was crucial and that they are providing incentives now for farmers to use the results. Finally, he highlighted that beef production is one of those sensitive sectors that the Commission is keen on protecting in international trade agreements because production standards in Europe are higher than in other parts of the world.

Panel 1: “Would you like some environmental sustainability with your beef?”



Keith Kenny, Senior Director McDonald's Supply Chain Europe and Chairman of the SAI Platform Beef Working Group launched the SAI Platform Sustainable Beef Principles. He explained that these principles cover all aspects of sustainability, including economic, social and environmental issues and some cross-cutting ones, such as traceability, feed, etc. He mentioned that there are many production systems for beef

and the biggest challenge is to convince farmers to change their practices. The only way do to this is through addressing issues that they are interested in. A free digital CO2 tool called “What if?” developed by McDonald’s in the UK helps farmers understand both the environmental and the economic benefits of adopting improved practices. Finally, he emphasized the importance of industry alignment on this issue and said this is why McDonald’s has supported this process in the SAI Platform.



Henning Steinfield, from the Livestock Information, Sector Analysis and Policy Branch of the Food and Agriculture Organisation (the United Nations organisation, the FAO), thought that the SAI Platform Principles were sound and an important contribution to the work of the FAO. This is however, just, the first step on the road to sustainability and there is now a need to embed these in objectives and benchmarks

and focus on targets. He talked about the efficiencies of using dairy cows for meat production, where meat is almost like a by-product of dairy farming. He said that the basic environmental problem of beef is greenhouse gas emissions and this is difficult to change; we are dealing with an animal that has a lot to offer but that also has some fundamental challenges. He believes the most important future priorities should be to understand better the life-cycle of beef production and to adjust policy incentives in a way that reflect environmental priorities.



Erik Mathijs, Professor at the University of Leuven, said the SAI principles are good in the short run, however, he thinks that incremental changes may not be enough in the longer run. Farming is still rather inefficient in its use of resources, e.g. fertilizer production uses huge amount of resources. An answer to this could be precision farming but this might mean keeping animals indoors, which might conflict with

other objectives, such as animal welfare and also not always feasible for farmers. He believes eating less meat and offering other products to consumers may be an option that has to be considered. Regarding new technologies he agreed that a lot of them are already out there but subsidies should be used to convince farmers to use them. Professor Mathijs said the most important priority would be to incentivize universities to carry out research in this area and involve them more in solving this future challenge.



Peter Erik Ywema, General Manager of the SAI platform, explained that the Principles will be followed by practices that explain how those desirable outcomes set out by the Principles can be reached. He added that the work on these practices would start right after the event. He agreed with all the other speakers on the importance and challenges of engaging farmers in this work. To convince farmers about sustainability,

he said, we have to make sustainable agriculture beneficial for them also financially. He added that another objective is to feed into the work of the Global Roundtable for Sustainable Beef.

Panel 2 “Does beef supply have a future in Europe?”



Mike Gooding, from FAI Farms, started out by saying that he believes the next 20 years will be the most exciting time to be a farmer considering the huge increase in demand that is predicted. His opinion is that efforts have to be focused on farmers that are willing to engage and not let those who are not willing to improve themselves, dominate the discussions. He explained that there is no point in looking at economic, social

and environmental sustainability in isolation and any measure would only be successful if they had been developed through a holistic approach. He gave some examples of improving FAI Farms own practices, e.g. by replacing imported feed with feed they can produce themselves. He claimed the most important thing is to find a way to monetize the non-economic benefits of farming.



Padraig Brennan, Senior analyst at Bord Bia, started out by talking about the massive variation they saw among farms when working in their [Origin Green project](#). The biggest challenge they face is to help farmers adopt those new technologies they identified on a wide-scale. The question for him is: how do you engage with those farmers that are behind the curve? Some of these farmers want to be sustainable but

may not know what it really means. He mentioned that it would be a mistake to only focus on the top 10-20% of the farmers, you have to be able to talk to all of them. Coordination and sharing information is really the best solution, he said. Mr. Brennan said there is a need for a policy framework that could help investments in sustainability measures.



Luis Carazo Jimenez, Head of Unit of Animal Products at DG Agriculture of the European Commission had no doubts that beef production has a future in Europe. He claimed that Europe is prepared to face the future and that if there is a place in the world where beef supply can be sustainable, it is the European Union. He insisted that there is a need for the private sector to create platforms to address the challenges. Governments

could provide certain tools, but it is up to the private sector to develop solutions that will create an economic and environmentally sustainable beef market in the EU. He added that in his experience farmers are usually conservative but have proven that they are able to adapt to new situations when needed. He said he did not see international trade as a threat, he thinks this is part of the game: Europe in any case has a great product and should do its best to promote it globally. He wants to reassure the audience in insisting that one of the main concerns of the European Commission is the economic sustainability of beef production.



Programme

10:00 – 10:05 Introduction by moderator of debate: Jacki Davis

10:05 – 10:05 Keynote speeches

10:05 – 10:15 **Julian Hilton-Johnson**, Vice-President Corporate Relations & Chief of Staff to the President, McDonald's Europe

10:15 – 10:25 **Mairead McGuinness**, MEP (EPP, Ireland)

10:25 – 10:35 **Georg Häusler**, Chief of Staff to European Agriculture Commissioner Dacian Ciolos

10:40 – 11:30 Panel 1: “Would you like some environmental sustainability with your beef?”

Beef is a nutritious, high value product that a lot of consumers enjoy. However, its production uses valuable resources therefore currently it comes with what may be deemed a high environmental footprint compared to most other food products. There have been intensive debates on how to tackle this challenge but is there a solution that is feasible and acceptable to consumers, producers and other stakeholders alike?

Panel members:

- **Keith Kenny**, Senior Director McDonald's Supply Chain Europe, McDonald's Europe
- **Peter-Erik Ywema**, SAI Platform, General Manager
- **Erik Mathijs**, Professor of Agricultural and Resource Economics, University of Leuven
- **Henning Steinfeld**, Livestock Information, Sector Analysis and Policy Branch, Food and Agriculture Organisation

11:30 – 11:45 Coffee break

11:45 – 12:35 Panel 2: “Does beef supply have a future in Europe?”

The increasing costs of feed and other resources mean that using them efficiently has become just as important for farmers to stay in business as to protect the environment. Are the sustainability principles proposed will help farmers to maintain their livelihoods or do environmental measures come with an additional cost?

Panel members:

- **Padraig Brennan**, Senior analyst, Board Bia
- **Mike Gooding**, Managing Director, FAI
- **Luis Carazo Jimenez**, Head of Unit - Animal Products, European Commission

12:35 – Closing of conference and networking lunch
