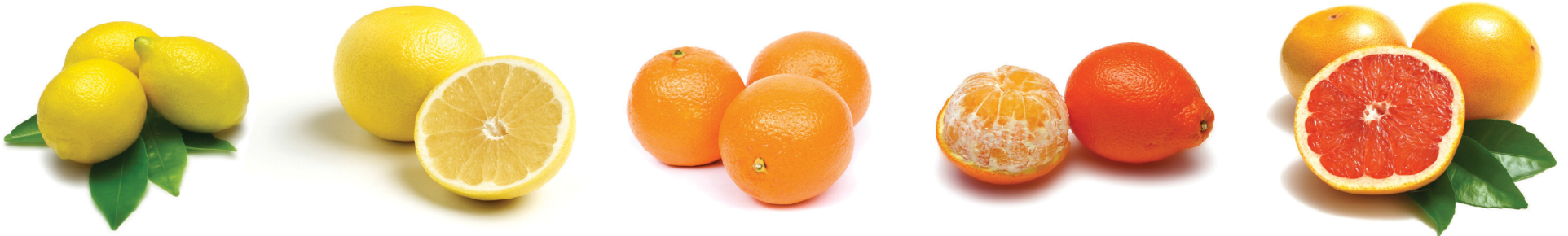


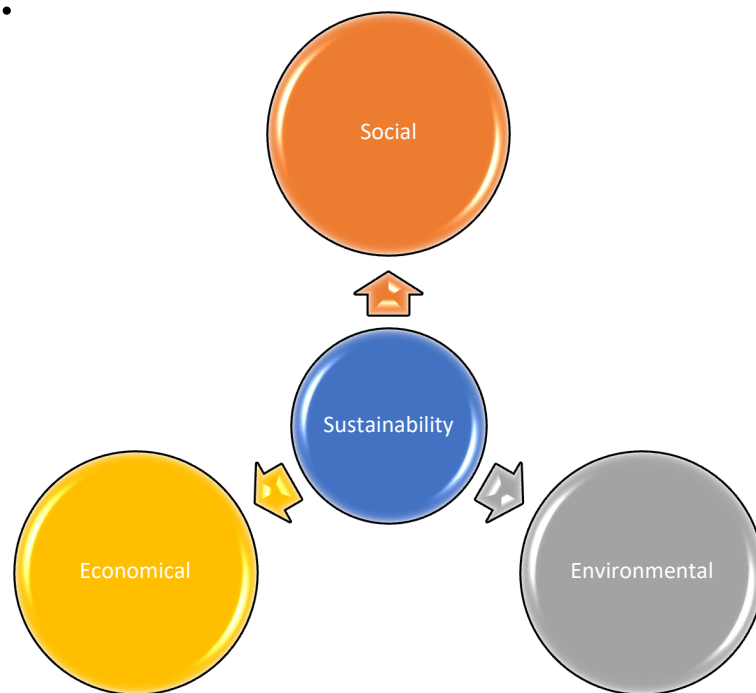


Can sustainability compliance requirements be influenced to be relevant and practical?

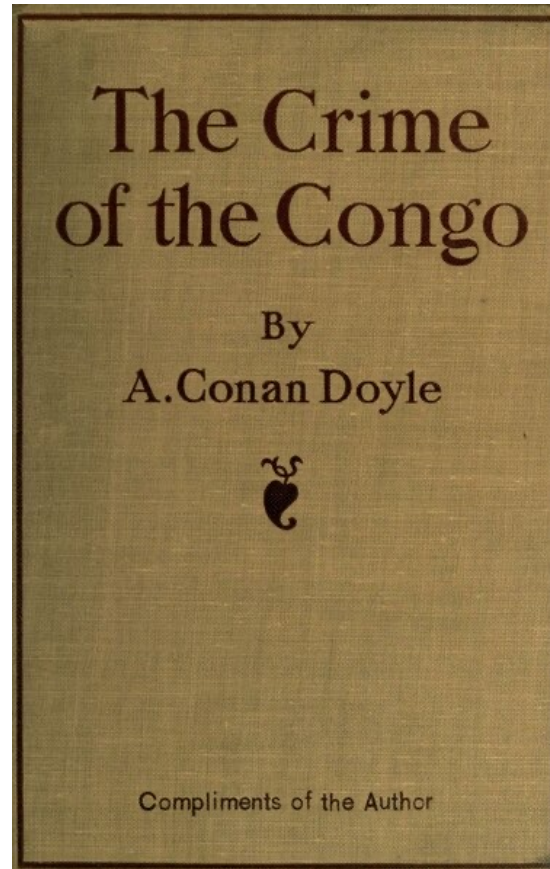


How did we get here?

- Sustainability vs Sustainability Compliance Requirements
- **Definition: Fulfilling the current food and textile needs of the world, without compromising the ability of future generations to meet their needs.**



How did we get here?



How did we get here?



Source: Source Consult Research



Where are we? Frustrated, confused and out of pocket

Today there are more than **300** different sustainability reporting standards, industry initiatives, frameworks, and guidelines around the world - KPMG



Where are we? Frustrated, confused and out of pocket

- Increased overlapping

	Standard 1	Standard 2	Standard 3
Standard 1	0	28	0
Standard 2	30	0	36
Standard 3	0	33	0

Table 1: Overlapping of three major standards

25%

The Financial Cost of Compliance

- Standard Membership
- Audit Cost
- Indirect cost
 - Man hours
 - Capex
 - Consultants

Cost Description	Small	Medium	Large
Direct compliance audit cost	R24 546	R93 441	R261 062
Indirect manhour cost	R117 293	R285 536	R371 078
Indirect CAPEX cost	R60 218	R190 684	R1 240 740
Total Annual Compliance Cost	R202 057	R569 662	R1 872 880

Figure 2: Source Consulting

=/- R8000/ha

Why – Compliance as gatekeeper to market access

With retail's environmental impact front of mind for consumers and retailers alike, Accenture's Siobhán Géhin explains why a circular business strategy is key to staying competitive.

Sustainability – once considered by retailers as a hefty cost tied to a fleeting consumer trend – is today becoming more widely recognised as a source of competitive advantage that can help drive top-line growth.

According to Accenture's [study on corporate sustainability](#), 99% of chief executives from the world's leading organisations say sustainability is critical to their future success. The majority also see a clear link to business value.

“99% of chief executives from the world's leading organisations say sustainability is critical to their future success”





Can these requirements be influenced?

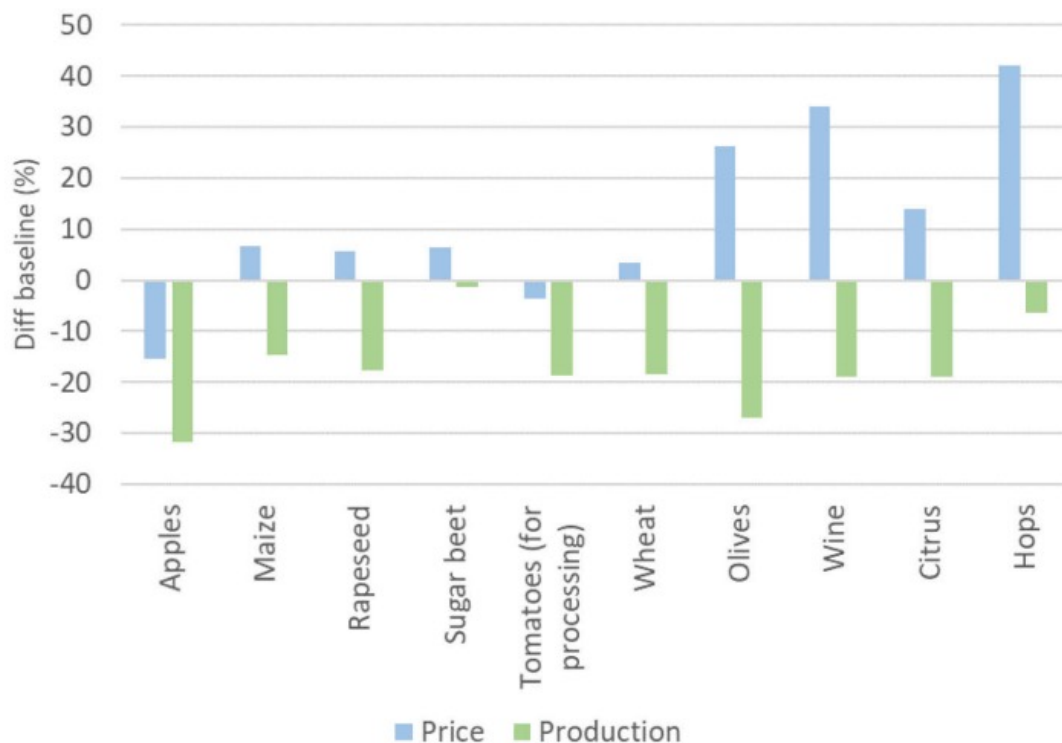
Tension towards the F2F Strategy

Farm to Fork regulations

- A host of actions for the agricultural sector to make it more sustainable include the following:
- rewarded removal of CO2 emissions;
- advancement of energy efficiency solutions;
- **50 % reduction in the overall use and risk of chemical pesticides and in the use of more hazardous pesticides by 2030;**
- **at least 20 % reduced use of fertilisers by 2030;**
- measures for a more sustainable animal sector, animal welfare and plant health;
- **50 % reduction of EU sales of antimicrobials in farming and aquaculture by 2030;**
- **25 % of organically farmed area and a significant increase in organic aquaculture by 2030;**
- **recommendations to each Member State on the 9 objectives of the common agricultural policy (CAP) to be included in their strategic plans;**
- measures for increasing sustainability of fish and seafood production;
- clarifying competition rules and monitoring the implementation of the unfair trading practices (UTPs) directive.



The Agricultural Impact of the Green Deal



€ 12 Billion

Bremmer, J., Gonzalez-Martinez, A., Jongeneel, R., Huiting, H., Stokkers, R., & Ruijs, M. (2021). *Impact assessment of EC 2030 Green Deal Targets for sustainable crop production*. (Report / Wageningen Economic Research; No. 2021-150). Wageningen Economic Research. <https://doi.org/10.18174/558517>



CAP as necessary lifeline for EU farmers

Share of direct payments and total subsidies in agricultural factor income

2017-21 average



Source: Eurostat



European Agriculture in a nutshell

Agriculture drains the European Union's resources while contributing a tiny share of its economy

Europe's monocrop- and livestock-intensive agriculture system is fueling climate change and ultimately unnecessary for producing enough food.

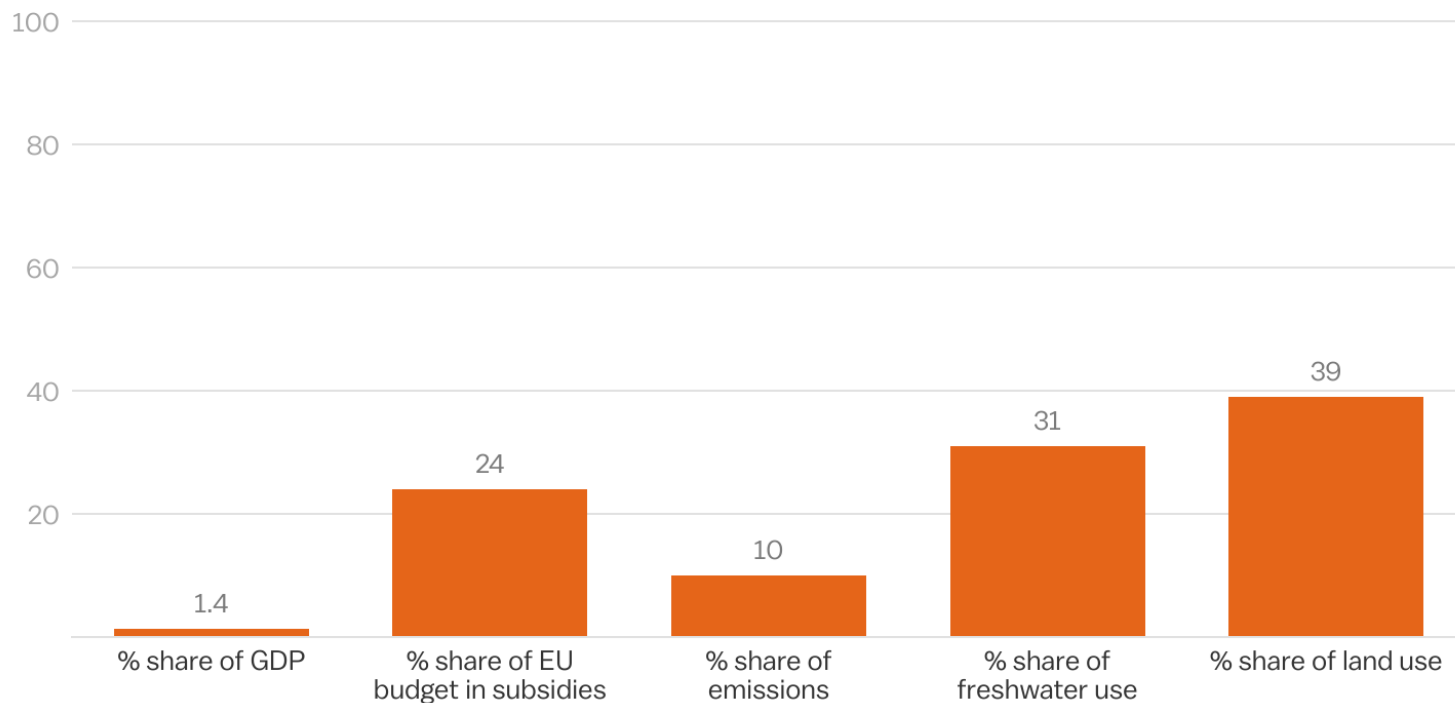


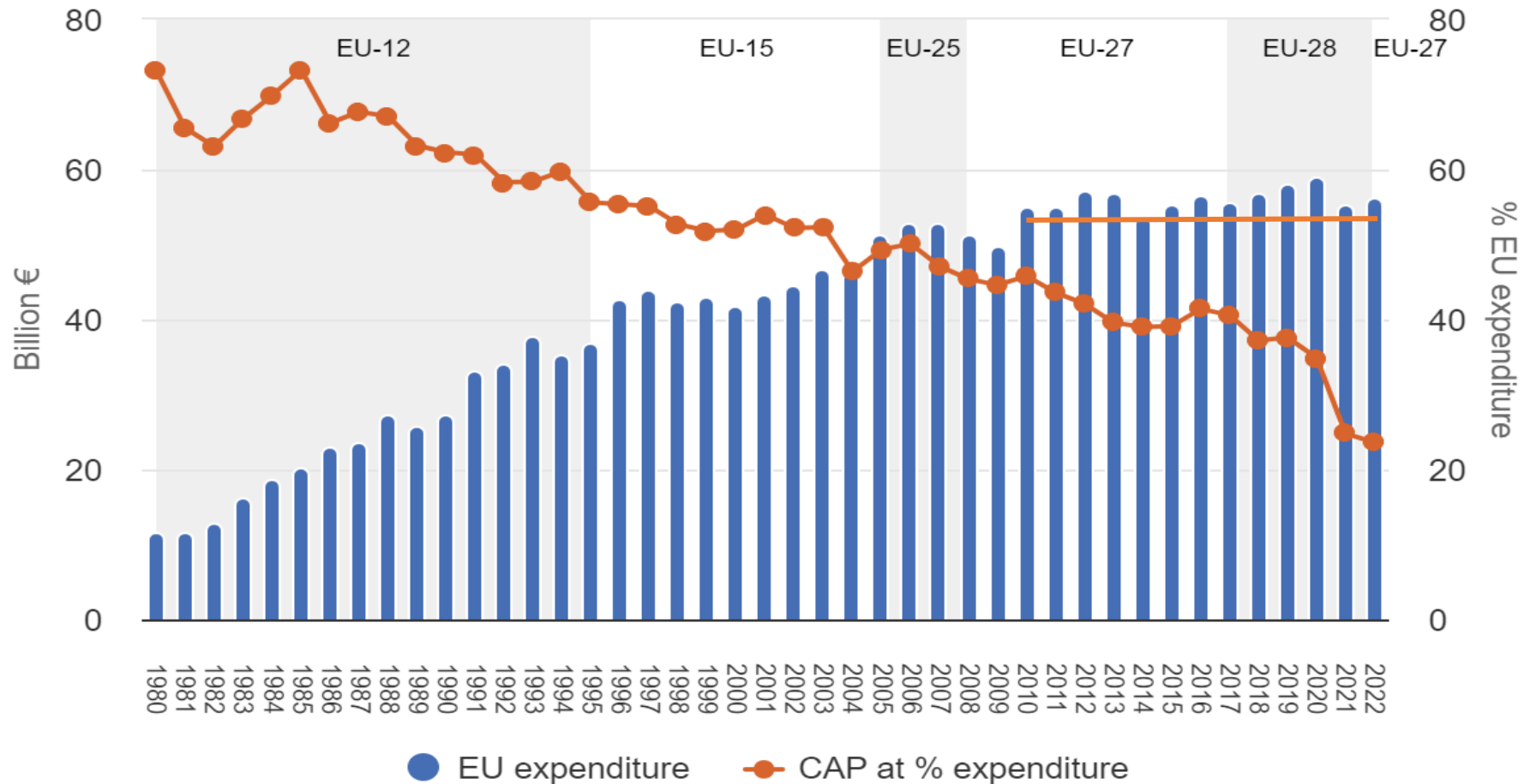
Chart: Marina Bolotnikova/Vox • Source: Eurostat, Our World in Data/UN, European Commission, CAP

Vox



CAP as financial burden for Europe

CAP expenditure as % EU expenditure (current prices)



Where does this leave EU farmers with sustainability compliance requirements?

- Climate change
- COVID
- Geopolitical tensions
- Changes in CAP

Frustrated, confused and out of pocket



Source: Associated Press



Source: Aгенjca Wyborcza



Source: Persburea Meter



Source: Getty Images



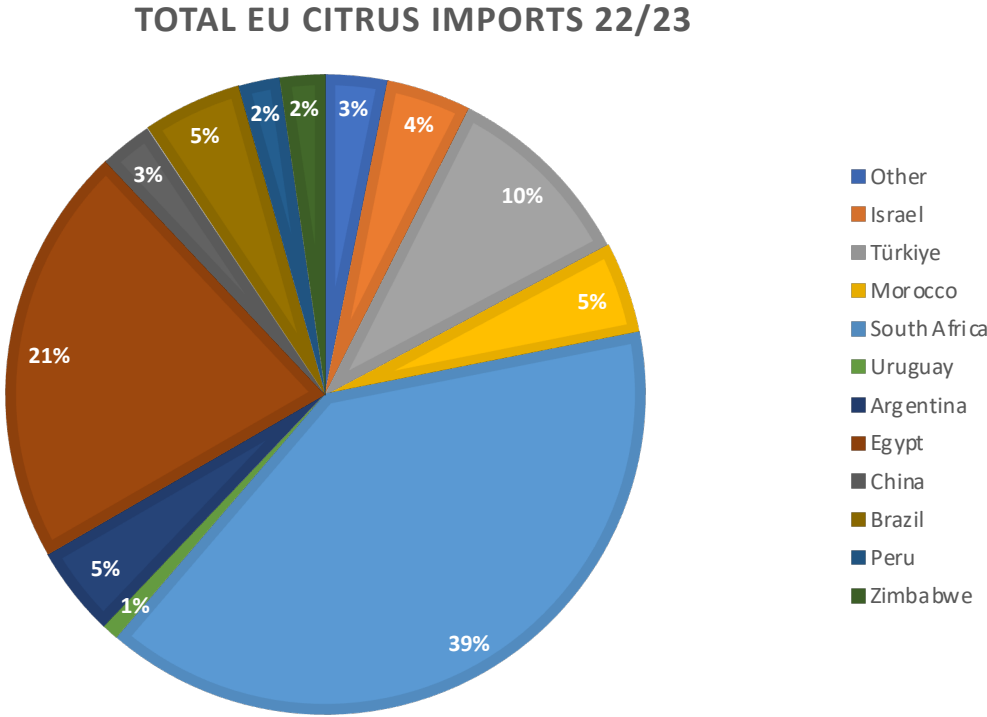
Strategic Dialogue on the Future of Agriculture



Can we actually influence?

South African position in World Exports

Citrus	Table Grapes	Pears	Apples	Avocados
2 nd	4 th	6 th	8 th	9 th



Source: Eurostat; Processed by Albert Coetzee

How can we influence?

- Prepare
 - ESG Reports – CSRD, CSD₃
 - Carbon Calculators (CBAM)
- Challenge
 - SHAFTE
 - FRUITSA
 - Continuing retailer engagement
 - Consumers influence?
- Collaboratively
 - Industry Bodies
 - Bodies and growers
 - Local standards and international



Thank you

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Citrus Growers Association of Southern Africa

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