



FOCUS: BUSINESS/STRATEGY

The Sustainability Transition: Impacts to Agriculture



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Sustainability is growing in importance, both as a descriptive term and a practice, and agribusiness is responding. Many firms now devote a part of their web sites, annual reports etc. to describe their sustainability policies and initiatives. For some industries sustainability is largely a public relations issue; but for agriculture, sustainability is fast becoming a strategic issue and one that will increasingly affect financial performance.

There are three primary reasons that are responsible for sustainability's growing importance as a strategic issue:

- More of the earth's resources are devoted to agriculture than any other human activity and the competition for those resources is intensifying as a growing global population consumes more land, more water and more energy for cities and towns to expand.
- Concerns about climate change are creating new demands on agriculture to expand beyond its traditional role as a supplier of food, feed and fiber to include feedstocks for energy production and to act as a carbon sink.
- The entire food value chain is being scrutinized by groups outside of agriculture regarding the industry's structure and competitiveness, how it should operate, and the externalities it generates.

In short, agriculture is being subjected to a host of outside economic, social and environmental forces beyond those with which it has traditionally had to contend.

While the topic of sustainable agriculture has been extensively covered, it has not been comprehensively analyzed from the viewpoint of organizations in agriculture.

Most articles and reports have been developed by organizations outside of agriculture. This study will address the limits of previous reports and will provide an unambiguous view of the range of impacts and just how different sustainable agriculture is likely to look by commodity and region of the world.

Context has tracked these developments over time and has already undertaken several engagements for clients wanting to understand various aspects of the agricultural sustainability movement and has published several articles and proprietary reports on the topic. In offering this new Multi-Client study, ***The Sustainability Transition: Impacts to Agriculture***, we will focus on how agricultural business is evolving and on identifying emerging opportunities and threats.

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The Sustainability Transition: Impacts to Agriculture, due for release in December 2010, will provide a strategic overview of a broad and poorly defined term, describing agriculture sustainability within the context of resource constraints. The study will focus on the five major drivers propelling the agricultural sustainability movement as they vary by geography and type of food. It will review what is most important for firms operating at different points within the food value chain and highlight the most significant sustainability issues. In addition, the study will describe the drivers, opportunities and risks that can help organizations adapt to changes related to sustainability issues.

Firms that understand how the sustainability movement will affect the global economy, their industry and their individual companies will prosper as demand for food that meets consumers' expectations for health, nutrition, convenience, environmental sustainability and social equity drives market prices up and presents new opportunities.

For an outline of the prospectus, contact jim.murphy@contextnet.com.

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