



FOCUS: BUSINESS/STRATEGY

Context Sustainability Study On-Track for Spring Release

Context's Multi-Client report ***"The Sustainability Transition: Impacts to Agriculture"*** is on track for release this spring. Context Senior Associate, Jim Murphy leads the study. "This is a major undertaking and the report will be the only one of its kind to examine how sustainability is being incorporated into corporate strategy and influencing the changes firms within the food value chain are making to their operations. What makes this study truly different is our focus on what's broadly happening on farms, in companies and in the marketplace. In addition, the study provides a clear view of the range of impacts and just how different agriculture is likely to look by commodity and region of the world."



**Context Senior Associate,
Jim Murphy**

While in the research phase of the study, Murphy noted, "We are finding many and varied differences in how companies are approaching sustainability depending upon where they are in the value chain."

He added, "In addition, we're noting some exceptional differences in which dimensions of sustainability (economic, environmental or social) are being emphasized." Murphy offered several examples. "As you might imagine, it's the EU that embraced sustainability first. Those firms tend to place heavy emphasis on the environmental aspects of sustainability as opposed to economic or social emphasis. Brazilian firms tend to approach sustainability with a more evenly weighted emphasis on economic and social aspects. Also, we're uncovering some very interesting facts based on how companies are making sustainable sourcing decisions. Crops receiving the lion's share of the sustainability focus are those grown in tropical regions where expanding acres of production is resulting in loss of rainforest."

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

***Context Sr. Associate,
Jim Murphy***

Another interesting trend is the shift in thinking within large companies about sustainability. He said, "A growing percentage are coming to see sustainability as business opportunity, to improve both top and bottom line performance, as opposed to a compliance issue. Water and energy conservation are two areas getting a lot of attention across the food value chain and throughout the world."

The study will focus on five major drivers propelling the agricultural sustainability movement, and how their effects will vary by geography and agricultural sector. They include Health & Food Safety Concerns, New Environmental Regulations, Food Retailer Sustainability Initiatives, Resource Constraints and Worldwide Food Demand. Additionally, 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. The study will describe the drivers, opportunities and risks that can help organizations adapt to changes related to sustainability issues.

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Context Partner, Mike Borel said, “The time is right for a sustainability study specific to agriculture interests that goes beyond broad discussions of policy to the specific issues facing the entire food value. Our ongoing reconnaissance on this topic leads us to believe that some of the changes coming will significantly reshape agriculture worldwide”. ***The Sustainability Transition: Impacts to Agriculture*** will offer companies the essential information needed to understand the interplay of the various sustainability issues, how that will affect their businesses and strategies for adapting and prospering from the sustainability transition.

Murphy added, “The four-part study will provide readers with a thorough and holistic analysis of the drivers behind the sustainability movement, whether they will be felt primarily as market, environmental or regulatory forces, and project how it will affect agribusiness over the next 20 years.”

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The Context Network provides business management and strategy consulting services to the world’s leading agriculture, biotechnology and food companies and government agencies and institutions. Major areas of expertise include strategy, merger and acquisition support, valuation of new technologies, formation of alliances, and market research. The West Des Moines-based firm is composed of a core of professional consultants that is complemented by a network of hundreds of industry and subject-area experts.

