

Purchasing Power

Linking Food Production with Biodiversity Protection

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Can the purchasing power of food consumers be harnessed to preserve biodiversity and safeguard health? Can selective shopping help reverse the decline in animal and plant species? Can consumer choices influence how our food is grown and therefore be used to help protect valuable habitat and wilderness spaces?

I believe it can, and have spent nearly 25 years both studying and experimenting with different ways to turn this belief into various forms of reality. This article summarizes some of those experiences and then highlights important current initiatives as they relate to the conservation of biodiversity.

Harnessing Market Power to Conserve Biological Diversity

Consumer-led initiatives fall largely into two categories -- boycotts and buycotts -- refusing to buy and buying selectively. As one of the founders of the Nestle boycott, the largest consumer boycott in history, I have a respect for the power of boycotts and a healthy appreciation of their limitations as well. Some recent consumer boycotts have been used very effectively to help protect animal species and endangered habitat.

Selective purchasing initiatives are what marketers call "pull strategies" where consumer purchasing decisions and larger-scale institutional buying (procurement) are harnessed to pull the market in environmentally sound directions.

Although there are many different kinds of market strategies, this paper is limited to looking primarily at one specific approach -- ecolabeling. Economic research from a wide range of sources suggests that this may be the single most effective market strategy for harnessing consumer-buying power to simultaneously promote the protection of biodiversity alongside social and economic sustainability. I will explore the different approaches to ecolabeling, with an eye towards understand their relative effectiveness at altering food production in ways that enhance biodiversity.

Consumer Attitudes and Actions

What evidence do we have that consumers care enough about biodiversity to make specific purchasing decisions that will make a difference? Although we have had a lot of anecdotal evidence of this interest in the past, only in the last year have serious consumer surveys been completed that give us a picture of the green consumers, conducted by a wide spectrum of pollsters ranging from Nielsen's to perhaps the most comprehensive study conducted by the Hartman Group.

The results were fairly consistent across all of the surveys. About 50% of shoppers in the United States are influenced by environmental considerations, with about half of these quite committed. Over half want to see labels as a key source of information. The Hartman Report did an excellent job of highlighting the kinds of issues these consumers are passionate about. The following are just a few of the relevant results:
Of the 52% that can be considered current or potential "green" consumers:

70% think the environment is worse off today than 20 years ago
63% said they would pay more for products that demonstrate a positive environmental impact
66% read point-of-purchase information and would appreciate more details
86% believe there is a connection between the health of the environment and their own well being
53% wanted to support sustainable agriculture through purchases with this identified on the labels

The bottom line is that a significant number of consumers are ready to re-direct their shopping behavior to protect biodiversity. That brings us to the question of how to best harness this power. While there are many approaches to this problem, ecolabels and ecolabels have emerged as major tools for harnessing the marketpower of millions of consumers to advance environmental objectives, including the protection of biodiversity.

Ecolabels Designed to Protect Biodiversity by Altering Food Production Methods

There are three generally accepted types of ecolabels. Type One labels make overall environmental claims and are normally certified by a third party. Forest Stewardship Council and Marine Stewardship Council are two examples you may already be familiar with. Type Two labels are self-declarations by manufacturers or distributors such as bird-friendly, biodegradable, fat-free, etc. Type Three labels are generally presented as a matrix of many different features or characteristics, much like the nutrition labels you find on many food products that have a matrix of characteristics that are explained on the label. These are considered educational only and not designed to imply a preference.

Type One labels, which are verified through independent, third party certification procedures are obviously the most useful and enjoy the greatest public confidence. In the Hartman Study it was clear that many consumers are skeptical of Type Two, self-declared labels, due in large part to the number of publicly exposed "greenwash" scams of the 1980s. Despite this serious concern, Type Two label regimes are proliferating very rapidly. Many coffee shops and food coops, for example, sell dozens of coffees that claim to be bird friendly -- but none so far are third party certified on the basis of these criteria. Type Three labels are not, at present, very widespread in the environmental arena.

Biodiversity Protection and Consumer Labels

For the purposes of this presentation I have chosen to focus on one major ecological issue, biological diversity, and will look at the four major kinds of labeling initiatives that could be harnessed to promote biodiversity.

1. Those designed to conserve or increase biodiversity
2. Those designed to preserve habitat, which tends to protect biodiversity
3. Those not designed to protect biodiversity but which could have that result, such as organic food labels.

Conserving and Increasing Biodiversity

There are only a number of ecolabels designed to conserve or to make a demonstrable increase in biodiversity. These include a large number of labels developed by small cooperatives of producers with a specific geographic focus, like Oregon Country Beef, where special production methods designed to promote biodiversity are included in the criteria.

On a larger scale, some of the most promising labeling schemes to protect biodiversity are being developed and tested in the Netherlands. Dutch farmers who decide to use farming techniques which increase the numbers of and species range of birds, fish, and wildflowers, as well as meeting other environmental protection standards, are able to use special labels to signal this commitment to biodiversity to consumers.

The Dutch government has supported the development of a wide range of tools and policies to help farmers be successful "producers of nature" as they call themselves, ranging from direct government payments for the preservation of nests of rare birds to financial support from fishing associations to support changes in practices to encourage growth in certain species of fish. One key element of this initiative is the development of a "Biodiversity Yardstick" tool by the Centre for Agriculture and in the Environment, based in Utrecht, to help farmers determine their current state of biodiversity and then to measure growth in biodiversity over time. This growth in actual on-farm biodiversity is a key criteria for the new "sustainable farming" food label being introduced in the Netherlands. The biodiversity yardstick is one of several; including ones to reduce pesticide use, nutrient loss, soil erosion, and the emission of greenhouse gases through energy conservation. At my organization we have been experimenting with these Dutch yardsticks here in the United States with a great deal of success thus far.

A new national organization in the United States, the Wild Farm Alliance, is currently discussing ways to use labeling and procurement policies to actively increase wildlife diversity on farm and ranch operations, including specific "predator friendly" labels for beef and sheep products from farmers and ranchers that are using production methods that protect wolves, bears, and other wild animals.

Perhaps the most active arena of ecolabeling around the biodiversity conservation has been in the area of fish and other marine products. There are a number of private and public initiatives in this area.

For example, the "dolphin-safe" and "sea turtle-safe" labels use for canned tuna, shrimp, and other marine products started out as private initiatives, but they are increasingly becoming elements of government policy. In the case of the dolphin-safe label, the US Congress has recently stepped in to establish a legal definition and criteria for using this label.

Perhaps the largest initiative is the Marine Stewardship Council that promotes a consumer label for wild caught fish and other seafood with explicitly stated biodiversity protection goals. One of their objectives is the protection of "the long-term viability of global fish populations and the health of the marine ecosystem on which they depend."

Another potential initiative in the marine area is a proposal to begin labeling tropical seafood by Fair Trade Labeling Organizations (FLO). FLO is a family of label initiatives designed to ensure that small producers in the South receive a fair price for their production, based on some specified criteria relating to the structure and methods of production. In an internal FLO paper outlining the arguments for this new initiative, the following specific biodiversity concerns were stated:

"Fishing worldwide has reached the overall maximum capacity (or has overstepped it). Attempts to become more selective and to promote freshwater fishbreeding and aquaculture as an alternative usually leave out small (artisanal) fishermen and concentrate on mechanized high technology methods (e.g. the Marine Stewardship Council.) There are, however, still plenty of small fishermen (ponds, lakes, rivers, backwaters, shores, rice/aquaculture) whose methods are much more ecologically sustainable, but who are under increasing threat by bigger-scale mechanized units. Supporting such groups to get a market would be addressing social and environmental challenges at the same time."

Another initiative in the marine area is within the International Federation of Organic Agriculture Movements, or IFOAM, which is developing standards for organic fish that will apply initially to farmed and stationary wild fish, such as clams, shrimp, scallops, and mussels. They will consider migratory wild fish in the future. This activity is happening alongside recent changes in US law that will lead to the establishment of organic fish labeling criteria for both wild and farmed fish, including significant provisions related to the protection of biodiversity.

Protecting Habitat

There are a significant number of ecolabel initiatives designed to protect biodiversity by protecting habitat, both on land and in the water. By far the most important, thus far, are the sustainable forest initiatives that operate under the global Forest Stewardship Council (FSC).

FSC-labeled forest products must be produced according to a rigorous set of ecological, economic, and social standards. The one that relates most directly to the conservation of biodiversity is that "All operations must maintain ecosystems functions, including watershed stability and conservation of biological resources." The teams of scientists who do the on-the-ground assessments of each forest are looking for management practices that meet high standards for economic and ecological sustainability, including biodiversity conservation. In the last two years they have expanded to include non-timber forest products, which can include a number of food items such as maple syrup, herbs and spices, berries, nuts and other fruits.

I have been directly involved in a wide range of FSC certification initiatives, including some very large initiatives in Great Lakes states, including New York, Pennsylvania, Michigan, Wisconsin, and Minnesota -- totaling roughly 5 million acres of forest that is now under certification. The inspection teams sent out to do the on-the-ground assessments have included conservation and wildlife biologists, ecologists, ornithologists, and habitat assessment specialists along with the silviculturalists and community development specialists. I have worked very closely with the assessment teams and have been impressed with the thoroughness and rigor of the process. The FSC label does indeed signify that the wood is from a forest where successful biodiversity conservation is being promoted.

But FSC-certified forest products labels are not the only ones in the marketplace claiming to protect habitats. Many products, from shampoo to shirt buttons, have Type Two labels claiming to protect the rainforest. Perhaps the most noticeable has been the virtual explosion of "bird-friendly" coffee labels. These coffees claim that they are grown under the shade of trees that provide excellent homes for many birds, some of which migrate to and from the United States. These "shade-grown" coffees, as they are sometimes called, are believed to be far superior from an ecological perspective than the "sun grown" varieties that cannot thrive in the shade. These newer "sun" varieties, mostly as part of the Green Revolution trend towards hybridization, claim to be higher yielding but they requiring the cutting down of all trees and application of large doses of chemical fertilizers and pesticides.

There have been some attempts to move from the Type Two self-declared "bird friendly" labels towards a Type One with an independent, third party certification system. One initiative began about five years ago when a small group of organizations began meeting under the loose name of the Sustainable Coffee Coalition. It was a combination of groups working on the fair trade side of coffee, such as Transfair USA and Equal Exchange, and organizations working primarily on the ecological side such as the Smithsonian Institute, Conservation International, and Rainforest Alliance. Our goal was to see if there was a way to develop a common plan and even a common label for coffee that would certify that it was produced under conditions good for the farmers and good for the birds. We had in mind something like a Juan Valdez with a parrot on his shoulder. Although this initiative only lasted a short while, it created a very fruitful set of discussions that made a difference in the development of the many labels we have today. For example, the recently completed set of general guidelines for making bird-friendly coffee claims, coordination by the Consumers Choice Council, was a direct result of these earlier efforts.

Another important label initiative designed in part to protect habitat is the development of certification criteria for sustainable banana production. One is from Transfair International and the FairTrade Labeling Organization and the other is part of the ECO-OK program of the Rainforest Alliance, one of the key organization helping develop the Forest Stewardship Council. Although fair-trade bananas are not yet available in the United States, both of these initiatives are having an impact in Europe.

Finally, one of the longest lasting initiatives in this area of biodiversity protection is the Salmon Safe label that is centered in the Pacific Northwest in North America. Crops grown under guidelines that help ensure

that salmon spawning streams are kept clean and unpolluted. Farmers that meet these conditions are certified and have the right to use the salmon safe seal on their wine and other products.

Indirect Protection of Biodiversity

There are, however, a number of consumer labels that could have an indirect but powerful impact. For example organic food production standards in most countries put protection of biodiversity as a major objective, including specific requirements for production practices designed to protect a wide range of species, from birds and fish, to earthworms and honey bees. Most organic certification programs, for example, prohibit the use of chemical pesticides and artificial fertilizers, thereby reducing potential sources of toxic contamination of our rivers and lakes.

Organic food labeling is an example of one of complex realities for those working to use ecolabels to protect biological diversity. How and by whom the standards or criteria are set can make a big difference in whether the label does indeed represent methods of production that result in biodiversity conservation. In the case of organic foods in the United States, the federal government is now heavily involved in setting the criteria so citizens need to be active in lobbying government officials.

Another example of a label that could have a powerful indirect impact is the label developed for foods produced by farmers in the Catskills mountains just north of New York City. This initiative is part of a complex agreement between the farmers and foresters of the Catskills and the City's Department of Environmental Protection. In this case, the label is marketed to consumers in New York City with the message that buying Catskills-labeled products will help ensure that they have pure drinking water. A key component of this label will be the certification that the farmers in the Catskills are using new farming methods that reduce or eliminate the run-off of water pollutants such as manure and chemicals. I have worked for many years with farmers in the Catskill to test the effectiveness of one of the Dutch yardsticks designed to virtually eliminate manure run-off. While reducing this contamination is vital for protecting drinking water, it will also be good for the birds and the bees, fish and the butterflies in the entire region.

A label based on a similar idea is being used for organic chickens being produced in the Chesapeake Bay region, near Washington DC, where manure run-off from gigantic industrial-type chicken farms has caused a collapse of much of the entire region's ecosystem.

All around the world there are many initiatives designed to convince consumers to buy food products that are grown in ways that better protect the environment. A study tour that my organization conducted in Europe in the 1990s identified almost 80 different initiatives at that time, and we know that many more have been created. All of these could result in significant protection of biodiversity if properly designed.

Challenges and Opportunities

About ten years ago IATP conducted a major study of consumer label initiatives for a Max Plank Institute Symposium entitled "Enforcing Environmental Standards: Economic Mechanisms as Viable Means." This study gave us an opportunity to identify some of the strengths and weaknesses of consumer labels.

Since that time, we have continued to monitor new developments in the field of ecolabeling and other consumer initiatives to develop policy recommendations and action ideas to help turn the excellent idea of ecolabels into a more efficient and effective reality. Here are a few conclusions:

1. Ecolabels can be effective tools for protecting biodiversity when they are part of a comprehensive set of initiatives. Labels and other "carrot" approaches are an important component of any strategy, especially alongside more traditional "stick" approaches. The incorporation of ecolabels can help bring balance and greater support to many different kinds of environmental initiatives.

2. Biodiversity protection-oriented labels must eventually be financially self-supporting. While there may be government and foundation funding to get some conservation of biodiversity initiatives off the ground as pilot projects, a mechanism is needed to help finance these efforts over time and to extend these demonstration efforts to other regions. If the value that is added from ecolabels can be converted into higher prices or increased market share, this could provide the financial basis for long-term sustainability. Another approach might be tax incentives for eco-labeled products, much like we now see rebates for energy-efficient appliances.
3. Labels designed with environmental protection as the main objective must not be allowed to be manipulated to create monopolies. It is vital that there be a competitive marketplace, not one or a handful of companies controlling everything.
4. Ecolabels must not be used to create inappropriate trade barriers against products produced in the Third World. If environmental protection initiatives get identified with real or perceived economic exploitation of the South then they will never become the global standard that we need. At the same time, certification initiatives should not create barriers for small producers in the North. For example, many small organic farmers believe that the new organic food certification process will be so time-consuming and expensive that they will be excluded.
5. Not all ecolabels are equal in their emphasis or focus. If your goal is to protect biodiversity, then this has to be conscientiously pursued. Biodiversity conservation criteria should begin to be incorporated whenever possible into any and all consumer label initiatives be they social labels, such as Transfair, or general environmental ones, such as Green Seal. At the same time, biodiversity-centered labels need social/economic criteria to ensure that they are promoting balanced sustainability, both ecological and economic.
6. To be effective, ecolabels must have integrity. Self-declared labels could seriously undermine independent third party certified labels. There has been so much ground lost over the years due to false or misleading claims that we have a significant percentage of consumers cynical about green label claims. If this cynicism grows, even the most carefully scrutinized labels will no longer be a cost-effective approach because many consumers will no longer believe any claims being made.
7. Attacks on ecolabels, including attempts to take over the definition of the criteria by industry dominated groups are a serious threat. If consumers find the marketplace too confusing due to numerous competing claims, or come to believe that labels are strictly marketing tools for large corporations then serious, independent initiatives will suffer.
8. Ecolabels should educate. For example, a well-designed label can educate shoppers about specific issues or concerns related to biodiversity and habitat restoration. A successful promotion and marketing outreach effort can get a label, and any biodiversity issues linked to the label, into the media in a positive way. Likewise, the process of ecolabel inspection and certification should also be educational. A number of people we interviewed spoke about the valuable learning that went on as part of the labeling process. This educational dimension should be considered in the construction and operation of all ecolabel schemes. Ecolabels must speak to the head, the heart, and the pocketbook.
9. Third party certified ecolabels can help restore public confidence in some professions and industries. For example, many foresters would like to promote certified sustainable forestry as a way to restore public confidence in their ability to properly care for the land.
10. Ecolabel initiatives need to have a broad base of support in every industry where they are being used. If an ecolabel is perceived as being a marketing vehicle for one or a few companies, media reports about such a label could discredit the value of labeling in general.

11. Ecolabels need a broad base of protectors and defenders. There are well-financed attacks on ecolabels by some that believe that these initiatives, as small as they seem at the moment, are an important threat over the long-term.

12. The integrity of ecolabel links to effective biodiversity conservation must be maintained. There is always a great deal of pressure to lower standards or to create loopholes to encourage wide participation. If consumers come to perceive a label as "greenwash" the entire approach will be in jeopardy. It is vital to ensure that inappropriate biopiracy/bioprospecting is not encouraged by any labeling initiative.

13. Label initiatives can reinforce each other and there is a great deal of valuable information sharing that is needed. Everyone involved in labeling should emphasize this. Attempting to explain forest certification to a reporter, the head of the State of Minnesota's forestry division put it this way "Forest Stewardship Council designation is to us what the dolphin-free designation is to the tuna industry."

14. There are many reasons why groups and individual producers pursue ecolabels beyond just the desire for a higher market price. For example, for many of the state and county forestry agencies that we have worked with the goal was public recognition for a job well done and the learning that takes place as a result of going through the certification process. In some cases, the main function of a label may be to provide a basis for mutual recognition, as the IFOAM-accreditation, which functions as a shared standard among many organic food certifiers around the planet.

15. There are many potential domestic and international policy threats to biodiversity promoting ecolabels, including complaints about ecolabels as trade barriers, new rules being considered by the World Trade Organization, investment policy proposals coming out of the Organization for Economic Cooperation and Development, and numerous challenges being launched via other certification bodies such as ISO.

This article draws on a great deal of the information from IATP's monthly newsletters on ecolabeling, sustainable agriculture, fisheries, and forestry that are available free of charge via email or on the Internet at www.iatp.org/iatp. For further information, contact me at mritchie@iatp.org.