Core food and agricultural indicators for measuring the private sector’s contribution to the achievement of the Sustainable Development Goals

About this online consultation

This document summarizes the online consultation Core food and agricultural indicators for measuring the private sector’s contribution to the achievement of the Sustainable Development Goals held on the FAO Global Forum on Food Security and Nutrition (FSN Forum) from 24 March to 26 May 2021. The consultation was facilitated by Pietro Gennari and Valerie Bizier from the FAO Office of the Chief Statistician.

The Office of the Chief Statistician invited participants to provide feedback on a draft version of the Core Food and Agricultural Indicators for Measuring the Private Sector’s Contribution to the SDGs – Supplementary Guidance. Participants commented on the scope, clarity and ease-of-use of the draft guidance document and on the feasibility of implementing it in practice. Furthermore, they discussed the question of whether any of the proposed qualitative indicators in the framework provided should be made quantitative, and how this could be done. Last, contributors commented on the adequacy of specific indicators.

Over the nine weeks of discussion, participants from 17 countries shared 26 contributions. The topic introduction and the consultation questions proposed, as well as the contributions received, are available on the consultation page: www.fao.org/fsnforum/activities/discussions/SDGs_core_indicators

Contributions received were carefully reviewed and considered to the greatest extent possible in the final publication Guidance on core indicators for agrifood systems – Measuring the private sector’s contribution to the Sustainable Development Goals.

1. Scope

With respect to the private sector’s impact on the SDG agenda, are the most relevant sectors and areas covered? Do the associated indicators adequately measure private sector entities’ contribution to the SDGs? If not, where are the gaps? Are there any indicators included which are superfluous? If so, why?

Some participants believed most relevant sectors and areas to be covered (Santosh Kumar Mishra), in particular regarding environment-related issues (Columbia Center on Sustainable Investment [CCSI] and Sustainable Development Solutions Network [SDSN]). Furthermore, the broad approach in terms of the sectors included was appreciated, as well as
the alignment between FAO’s methodology and that of the World Benchmarking Alliance’s (WBA) Food and Agriculture Benchmark.

Contributors suggested adding a wide variety of aspects to the indicator framework, including: a) use of draught animal power (Cozette Griffin); b) efforts to reduce food waste; c) sustainable sourcing for food packaging (Angel Carro Castrillo); d) farmers’ understanding of the impact of synthetic inputs on human health and the environment, and e) food production efficiency (Sajeevani Weerasekara).

One contributor listed the following areas for consideration: a) product accessibility; b) product affordability; c) long-term sustainability of product supply, and d) variety in the production of core foods (Oliver Onyeodili).

Participants also discussed in more detail topics that are currently left out or that, according to them, should be covered better:

- **Animal welfare** (Angel Carro Castrillo). Although the SDGs do not explicitly mention animal welfare, it is an important aspect of sustainable and responsible business practices in the food sector (CCSI and SDSN; WBA). Associated indicators should comprise aspects such as health plans, use of antibiotics, and food safety issues (Wageningen University and Research – WUR).

- **Cross-cutting issues.** Some indicators include cross-cutting issues such as gender and age, but issues such as disability should also be considered. In fact, such cross-cutting issues should be reflected in all relevant indicators.

- **Digital technology.** The role of digital technology in measuring the indicators should be clearly described. Additionally, the utilization of digital technology in accelerating outputs could be assessed (Samuel Kirichu).

- **Discrimination and harassment.** The framework does not adequately capture discrimination and harassment of workers throughout the company’s operations and value chain. This may be addressed by adding more indicators on efforts to address discrimination and harassment and/or by requiring more disaggregation of indicators by groups exposed to unequal treatment.

- **Environmental and human rights defenders.** The protection of these defenders is vital given the high risks of harassment in agribusiness supply chains. Companies can promote protection by: a) preventing retaliation against workers exercising their rights; b) enhancing assessment, monitoring, and prevention and mitigation measures in relation to security forces the company contracts with; c) preventing judicial harassment of defenders, including through strategic litigation against public participation; and d) aligning lobbying and public policy engagement with the achievement of the SDGs (CCSI and SDSN).

- **Food service and restaurant chains.** This sector has a large impact on food systems, particularly regarding food waste reduction and the circularity of food systems (WUR, WBA).

- **Forced labour / modern slavery.** Except in terms of child labour, this topic has been excluded (WBA; CCSI and SDSN). KnowTheChain acknowledges the inherent traits of agricultural work that render workers more vulnerable to forced labour risks, including precarious employment conditions, poor working and living conditions, low wages, debt bondage, and lack of freedom of association. FAO’s methodology could include forced labour as a stand-alone indicator or ensure these traits are covered (CCSI and SDSN).

- **Formality of work and downstream workers.** Many indicators are concerned with “employees”, while most workers are contracted workers. Excluding these people could incentivize companies to continue to keep them in precarious working conditions. Additionally, social impacts in downstream value chains may be missed due to the current focus on consumers (CCSI and SDSN).

- **Individual smallholders and village-based merchants.** The focus should be on these individual actors, who make up the largest part of the farming community, rather than on multinational corporations (Sajeevani Weerasekara).

- **Innovation.** Relevant aspects are as follows: a) expenditure on technical training of workers as a proportion of revenue; b) sources, uptake and funding of technologies, information and innovation, as well as their development and
dissemination; and c) community service or compensation to the community of operation (Margaret Koyenikan).

- **Lobbying and litigation.** Companies can contribute to undermining the SDGs through lobbying and litigation practices; such activities can limit the ability of governments and civil society to take meaningful action to achieve the SDGs (CCSI and SDSN).

- **Mental health.** The linkages between “quality of food intake” and “state of mental health” should be considered; in this regard, gendered differences should be assessed (Santosh Kumar Mishra).

- **Positive externalities.** The framework should also acknowledge companies’ potential to create positive externalities for society and the environment; these are often unintended side effects resulting from long-term investments and the development and commercialization of sustainable scalable innovations (Philipp Aerni).

- **Small village-based family enterprises.** The focus should be on these actors rather than on large corporations, as the former are in direct contact with smallholders. They provide farmers with most inputs and services, such as contract mechanization services, which are essential to achieving many of the SDGs. However, information on these enterprises may be scarce due to minimal record-keeping (Dick Tinsley).

Participants also shared comments of a more critical nature regarding the framework’s overall approach. One contributor pointed to a lack of inclusiveness and coherence in relation to the SDGs. Overall, it would be appropriate to adopt a food systems perspective, but this would make statistical analysis difficult as some factors that adversely affect the availability and affordability of food originate from different food subsystems, with the profit motive of the competitive economy playing an important role. It was stressed that although the notion of core food items may make statistical work manageable, using this concept would result in a set of indicators that could hardly inform policy action towards the promotion of balanced diets (Lal Manavado).

Other participants also discussed the focus of the framework more generally. One noted that capturing the private sector’s contribution to the SDGs requires assessing the following three aspects: 1) switching from monocultures to diverse agricultural systems, including natural fertilization methods; 2) investment in sustainable energy resources; and 3) increased production diversity (Brandon Eisler). Another participant highlighted the need to assess how minimal processing of food and food relocalization affect GHG emissions and agricultural production (Anthony Fardet).

On the question of whether any of the indicators are superfluous, one participant pointed out that this was not the case, although there may be similarities between them.
due to the interconnectedness of the SDGs (Santosh Kumar Mishra). Referring to the broader question of the different actors that should be considered in the framework, another participant was doubtful of including producer organizations as private sector enterprises, as they would not be able to compete with family enterprises and only be able to survive with external facilitation (Dick Tinsley).

The framework focuses on food for the downstream sectors (food processing, food wholesale and food retail), and the scope of the guidance at the production level only includes crop and livestock production as well as aquaculture. Is the inclusion of aquaculture but not fisheries the right approach given the similarity between the impacts of aquaculture and those of other types of agricultural production? Should the framework also be applicable to the forestry sector and if so, which aspects should be considered?

One contributor believed the inclusion of aquaculture but not fisheries to be the right approach (Santosh Kumar Mishra). Another participant highlighted that aquaculture would need to be better accounted for, especially in the context of agricultural production. Specifically, it should be considered in relation to soils and fertilizers: for example, aquaculture (e.g. shrimp ponds) can affect soil quality, and some freshwater pond farming systems rely on fertilization (Cecile Brugere).

Other contributors stressed that fisheries should also be included in the framework (WUR; CCSI and SDSN; Angel Carro Castrillo) due to its severe impacts on environmental and social sustainability (CCSI and SDSN). Participants wondered whether a separate framework would be developed for fisheries or if reference would be made to existing standards if the sector were not included. The WBA Seafood Stewardship Index could be relevant here (WBA).

Multiple participants stressed that the forestry sector should also be included (WUR; CCSI and SDSN; Santosh Kumar Mishra; Angel Carro Castrillo) given its similarities in terms of the environmental and social issues present in the sector compared with the food production sector (CCSI and SDSN). Moreover, forest resources significantly contribute to food security and nutrition; therefore, it is key to protect them. In this context, consideration should be given to gender differences in people’s roles and rights and to perspectives on conservation and management of forest resources. Opportunities in the sector include increasing the visibility of forest foods, developing policies for sustainable access to forest resources, and promoting modern processing techniques for forest foods (Santosh Kumar Mishra).

Would it be helpful to include the specific list of indicators which apply to each type of production, e.g. aquaculture, livestock, crop production?

Multiple participants indicated that such a list would indeed be helpful (WBA; CCSI and SDSN; Santosh Kumar Mishra). Furthermore, it was mentioned that an overview of the most relevant indicators for each type of production would be useful as well (WBA).

For certain sustainability issues, the performance of an entity cannot be assessed without looking beyond the entity’s direct operations. Some indicators take into consideration reporting entities’ relationships with their suppliers, or the impact of these suppliers on their overall performance. Does this approach capture the relevant sustainability issues related to suppliers? Is it clear where reporting entities need to request information from suppliers?

Many participants felt that, although many issues are covered (CCSI and SDSN; Santosh Kumar Mishra), the framework could more explicitly tackle the question of how companies incentivize their suppliers to improve their performance and to provide information to feed into these indicators. Furthermore, it was stressed that companies should not only gather data from suppliers, but also support them in meeting the underlying expectations embedded in the indicators and in collecting data (CCSI and SDSN).

Another contributor advocated for inclusion of additional questions as considered by the WBA Food and Agriculture Benchmark:

- **Indicator B.1.1 “Water stress”**: if downstream companies source products produced in water-stressed regions, and if they engage with their suppliers;
- **Topics B.9 “Fertilizers” and B.10 “Pesticides”**: if downstream companies expect their suppliers to reduce and/or optimize the use of fertilizers and pesticides;
2. Clarity

Is the supplementary guidance clear in terms of type of private entities targeted and reporting rules?

One participant noted that the supplementary guidance is clear, but also suggested the addition, after the sentence "If the reporting entity is a multinational company, or the subsidiary of a multinational company, then the following information should also be reported" (p. 12), of the type of activities of the entity as well as its collaborating partners (Santosh Kumar Mishra). Regarding reporting rules, potential overlap between indicators was highlighted. This may, for instance, be the case for indicators B.7.1 “Land conversion” and B.7.3 “Sustainable use and conversation of biodiversity” if companies were to report on deforestation/conversion-free targets. It could be relevant to focus indicator B.7.3 on sustainable use of biodiversity (e.g. through sustainable agriculture), and to include conservation of biodiversity (e.g. through no-deforestation commitments) under indicators B.7.1 and B.7.2 “Habitat area protected” (WBA).

Can entities easily evaluate if their activities and the commodities they purchase, produce, process, manipulate and/or sell are within the scope for each indicator? If not, how could this be improved?

One participant highlighted that it would not be easy for entities to evaluate this. As there cannot be a standard monitoring and evaluation tool, a representative tool could be proposed that would need to be adapted to the requirements of each context (Santosh Kumar Mishra). Another contributor stressed that the scope of sectors included on pp. 7–9 provides a useful overview of the general framework, and that the “scope” section for each of the indicators provides good guidance as well. In addition, an overview of the indicators and their associated scope for each of the sectors would be useful (WBA).

3. Feasibility

Do private sector organizations have access to the type of data required to assess performance against the indicators? If not, is it feasible for them to collect it?

One contributor remarked that while not all organizations have access to the type of data required, they could collect it – although this would require good coordination (Santosh Kumar Mishra) and availability of data collection tools in appropriate languages (Santosh Kumar Mishra, Taimur Hyat). Another contributor highlighted research demonstrating strong divergence between different sectors regarding the complexity of data needs and data availability (WBA).

Others stressed that the ambition to be as comprehensive as possible could undermine feasibility (International Fertilizer Association, International Agri-Food Network). It would be...
4. Ease of use

Does the guidance document make it easy enough for private sector entities to understand how to calculate their performance against each indicator? If not, where is improvement needed?

Participants responded affirmatively to this question (Santosh Kumar Mishra, WBA), but also highlighted that certain indicators could reference initiatives that already support private sector action. For instance, indicator B.1.2 “Water stress” could refer to the WRI Aqueduct Tool or the WWF Water Risk Filter (WBA).

Is there sufficient supplementary guidance in terms of links to additional materials and definitions?

One contributor suggested including the work of intergovernmental bodies that have excelled in designing agricultural indicators in the context of SDGs (Santosh Kumar Mishra).
5. Qualitative vs quantitative indicators

Are there ways to make any of the qualitative indicators quantitative? If so, how?

One of the contributors provided suggestions on including quantitative metrics. This could, for instance, be done for indicator C.6.1 “Food labelling”: companies could also disclose the percentage of products for which they have rolled out labelling commitments beyond legal compliance. Possible examples include: a) the company has X percent of its products (or sales values) compliant with national regulations / Codex Alimentarius in X countries in which it operates; b) the company has rolled out supplementary labelling schemes for X percent of its products (or sales values) in X countries in which it operates.

Participants also pointed out environmental indicators in the WBA Food and Agriculture Benchmark that include both qualitative and quantitative data. For instance, regarding soil health, companies are expected to disclose relevant commitments/policies but are also asked to provide quantitative data, such as the percentage reduction of land affected by erosion and of land under regenerative agriculture. Similarly, downstream companies are expected to report on the proportion of food they sell that is produced under recognized environmental schemes that replace harmful pesticides with alternatives and optimize fertilizer use (WBA).

Would it be preferable to replace indicator C.6.2 “Practices promoting sustainable healthy diets” with an indicator that shows the percentage of the entity’s marketing budget spent on promoting healthy foods?

One contributor mentioned that rather than replacing the indicator, it could be useful to single out responsible marketing practices and create a separate indicator that focuses on both regulating negative practices and enhancing marketing strategies to promote healthy eating. In this context, a quantitative indicator on the percentage of the entity’s marketing budget spent on promoting healthy foods would be extremely valuable (WBA).

Another contributor stressed that both indicators should be included; a quantitative indicator alone may insufficiently capture the outcomes of marketing practices. The sales of healthy foods relative to less healthy foods could also be measured to track effectiveness of marketing efforts (CCSI and SDSN).

6. Adequacy of specific indicators

Participants also commented on the adequacy of specific indicators:

A.5.2 Fair pricing and transparent contracts

One contributor stressed the importance of: a) adequately monitoring compliance with the requirement that the established price covers at least “a living wage [or income] for the producers”; b) ensuring that contract prices account for inflation, particularly because long-term contracts are incentivized; and c) avoiding overly restrictive quality specifications, which, especially given the effects of climate change, can lead to lower incomes for farmers and unnecessary food loss (CCSI and SDSN).

B.7.1 Land conversion

Some participants found that the proposed subindicators adequately address land conversion issues as they relate to SDG15 (CCSI and SDSN; Santosh Kumar Mishra). Another contributor highlighted the need to clarify if under this indicator, downstream entities that source high-risk commodities are required to report on this, considering that their activities significantly affect land conversion.

Furthermore, this indicator could include guidance for companies to set targets to eliminate land conversion of natural ecosystems and to report on performance against these targets (WBA).
B.7.2 Habitat area protected
Some participants highlighted the need to require reporting on restoration or “rewilding” of habitats in the reporting entity’s production area (CCSI and SDSN; Santosh Kumar Mishra). However, another participant argued that it may be too strict to have such a requirement when a company does not have any impact on natural habitats (WBA).

B.8.1 Soil degradation
It is unclear who should report on this. This indicator is relevant for national data sets, but it is difficult for companies to report on it, as they often do not manage land directly. Instead, soil degradation should be measured on a regional or national scale (International Fertilizer Association).

B.9.1 Fertilizer use intensity
Fertilizer use intensity depends on biophysical and socioeconomic factors; hence, different conditions determine the quantity of fertilizer used per hectare. This indicator should therefore be eliminated or replaced with a nutrient use efficiency indicator (International Fertilizer Association).

B.9.2 Management of fertilizers
It is unclear how the wealth of information reported here could fit under a single indicator (International Fertilizer Association).

C.1.2 Average hourly earnings of all employees
Some participants suggested that this indicator should be reformulated as “percentage of employees and other workers paid above a living wage, disaggregated by occupation, gender, age and disability status” (CCSI and SDSN; Santosh Kumar Mishra). In this way, assessments will be less skewed by top leadership pay (CCSI and SDSN). However, such an indicator may not be applicable if accepted standards on wages are lacking (Santosh Kumar Mishra). Others stressed that reformulation of the indicator would depend on its purpose (WBA, WUR).

C.4.1 Expenditure on employee health and safety
This indicator should be made gender-sensitive. Private sector entities could, for instance, use a qualitative indicator to report if they address the specific health, safety and hygiene...
C.5.1 Incidents of non-compliance with child labour laws

A potential side effect of a purely compliance-based approach is that it incentivizes companies to immediately terminate relationships with partners where incidents of child labour have been identified. However, rather than improve the situation of children who are engaged in child labour, this will only exacerbate their vulnerability. Therefore, it was pointed out that this indicator should also consider how the company and/or its supplier remedy instances of non-compliance when they are identified, as well as the company’s efforts to address the root causes of child labour (CCSI and SDSN). Another contributor, agreeing on this approach, further highlighted the need to also collect data on the forms of child labour that are present, to disaggregate the data by age, gender and status (migrant/national child labourer), and to specify the tasks carried out by children (Mariam Mikadze).

C.6.2 Practices promoting sustainable healthy diets

Activities related to responsible advertising and promotion of healthy diets require separate data points; therefore, they can form separate indicators on responsible marketing activities. Two indicators – one that assesses companies’ efforts to improve products’ nutritional quality, and one on food promotion practices – can strengthen the focus on these key topics (WBA).

C.6.3 Non-compliance in food safety and food quality

One participant believed it to be relevant to include incidents of non-compliance with Global Food Safety Initiative (GFSI) certification as part of this indicator (Santosh Kumar Mishra). However, it was also mentioned that rather than reporting on non-compliance incidents, disclosure on the percentage of companies’ operations and percentage of suppliers audited and certified by GFSI (or other independent third-party certification) would be more relevant (WBA). Last, it was highlighted that other certification systems that address food safety standards should also be acknowledged here (WUR).

C.7.1 Non-compliance with land tenure rights regulations

This indicator does not sufficiently integrate existing international standards on consultation with communities, namely the right of Free, Prior and Informed Consent of Indigenous Peoples (CCSI and SDSN).

D.3.1 Management of risks to people, planet and society through supply chain due diligence

One participant stressed that this indicator adequately captures entities’ institutional efforts and commitments to identify and address social and environmental risks along the value chain (Santosh Kumar Mishra). Other contributors pointed out that the indicator is very broad (WBA, WUR) and should be split (WUR), especially because it would be difficult to capture human rights due diligence and environmental due diligence in one indicator (WBA). Last, one contributor highlighted that under the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, the management of risks to people, planet and society goes beyond the supply chain and covers the company’s operations and value chain. Therefore, in the spirit of the UNGPs, companies should be asked to demonstrate their public policies and commitments to the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work; hence this would involve “human rights policy commitment” rather than “due diligence policy”. Companies should also meet the other expectations as elaborated in the UNGPs (CCSI and SDSN).
REFERENCES


RESOURCES SHARED BY PARTICIPANTS


