

All Aboard The Sustainability Train

To paraphrase tennis great Arthur Ashe (among others) on the topic of success, sustainability is a journey, not a destination. Produce Marketing Association's (PMA) recent benchmark industry research on sustainability shows our members' sustainability journey is well underway, and they are making strides toward becoming more sustainable within the three Ps: planet, people and prosperity. The research also reveals there is uncertainty over how to effectively measure the return on investment of resources being allocated to making sustainable changes. But why is that?

Our industry clearly supports sustainability — no surprise there, given what we do for a living. Per our research, more than 89 percent of respondents — from small companies to large firms — agreed that it is a priority for their organizations, despite the worst financial crisis in decades. However, more than 65 percent weren't sure how to project the ROI of their efforts. Less than 30 percent of those surveyed could identify a projected breakeven date for sustainability investments made during the past two to three years.

With the economy forcing industry members to sharpen their budget pencils, why aren't we better analyzing the results of our sustainability efforts? Perhaps, as a number of respondents told us, operating sustainably is "just the right thing to do," no matter the cost. Perhaps we think that sustainability's payoffs are intangible, or even contrary, to being profitable. On the other hand, there is good evidence that sustainability need not come at the expense of prosperity. Sustainability inherently strengthens businesses, and many ROI measurements already exist. This journey's mile markers just need to be more clearly placed.

If metrics are the issue, then there are plenty of examples to be found of substantial cost savings that are easily measurable. As one illustration from our own experience, consider PMA's transition to virtual computer servers. Instead of 18 physical servers each generating heat and consuming electricity, the same work is now handled by only three

servers. This change has resulted in a savings of \$94,000 in hardware costs and almost \$12,000 in annual energy costs — and we are reducing our carbon footprint in the process. PMA is already seeing its own sustainability ROI in reductions in such cost areas as energy, paper, waste disposal, facilities and transportation and logistics.

Further, respondents in PMA's sustainability research reported their sustainability plans were largely driven by customers. This suggests that customer retention could be an appropriate metric of sustainability. (Our research also exposed a "disconnect" between our members' motivations and consumers' motivations; consumers place high value on the "people" or social issues aspect of sustainability, while our survey respondents most highly ranked the "planet" or environmental aspects.)

At our recent PMA Board of Directors meeting, we reviewed and learned from an array of sustainability initiatives presented by four of our directors: Miles Reiter of Driscoll's, who looked at water shortages; Pablo Borquez of Campo Pablo Borquez, who focused on social factors; Rich Dachman of Sysco, who highlighted life-cycle assessment and distribution efficiency; and Mike Spinazola of Diversified Restaurant System, who gave us a "glimpse under the hood" of Subway's new ECO-Store. The discussion following these presentations made it clear that sustainability is less a trend and more a fundamental shift in the way most businesses are

now thinking about our planet, our people and our long-term prosperity.

Like many of our members, PMA is early on our sustainability journey, and we are finding there's much to learn — and many ways we can help. Within our industry, we are creating forums to share our discoveries, including this research and our new sustainability Web page found at <http://www.pma.com/issues/sustainability.com>. We encourage you to add your story to the dialogue we have started there. We are also blogging about sustainability on PMA's new government relations and public affairs blog, Field to Fork. You can sign up to receive updates on sustainability and other topics at <http://fieldtofork.pma.com>.

Externally on our industry's behalf, PMA is also working to monitor other groups' efforts to establish sustainability standards that might impact our industry. We are participating to ensure the industry's perspective and special needs are considered. This includes our work with the Stewardship Index for Specialty Crops, a multi-stakeholder initiative to develop a system for measuring sustainable performance throughout the specialty-crop supply chain.

Sustainability is clearly an initiative that is here to stay. If you're in that 11 percent that doesn't consider sustainability a priority, it's time to get on board. If you're already down the path, then we hope you will join the conversation. We are looking forward to traveling this path with you.

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