International Food and Agribusiness Management Review
Volume 16, Special Issue A, 2013

Sustainable Food Lab Learning Systems for Inclusive Business Models Worldwide

Hal Hamilton

Co-Director, Sustainable Food Lab, 3 Linden Road, Hartland, Vermont, 05048, USA

Abstract

The Sustainable Food Lab (SFL) is a consortium of business, non-profit and public organizations working together to accelerate the shift toward sustainability in the mainstream food system. In this brief case study, I introduce the approach that this multi-stakeholder initiative has developed to tackle this wicked problem. The Food Lab is not revolutionary. Its mission is to accelerate progress, and its primary point of leverage is to build on the needs of food companies to demonstrate sustainable production of ingredients. To achieve this end, the Food Lab creates a pre-competitive space for member organizations to pilot innovations through business driven supply chain projects and provides opportunities for diverse stakeholders working on sustainability to meet, learn, and support each other in becoming better leaders for change in their organizations and in the larger system. This article highlights some of the outcomes that have been achieved by members as a result of participation in the Food Lab. While we are proud of the results, our guiding hypothesis is that the leadership capabilities that the Lab nurtures are as important as the tangible outcomes of projects.

Keywords: food system, sustainability, innovation, multi-stakeholder engagement, leadership

Corresponding author: Tel: + 1. 802.436.4062
Email: Hal Hamilton: hal@sustainablefood.org

The **Sustainable Food Lab** is a consortium of business, non-profit and public organizations working together to accelerate the shift toward sustainability in the mainstream food system.

Because the Sustainable Food Lab has become an incubator of business-driven innovation, our more activist colleagues sometimes question whether the Food Lab's work has succumbed to a top-down market structure that inevitably marginalizes weaker players like small farmers. These colleagues also suggest that a corporate agenda will always focus on globally traded commodities and processed food with high margins rather than innovation in community-based food systems and nutrition.

Verena Bitzer (2012) argued in a recent IFAMR issue that, "From a development perspective, partnerships can be viewed critically as their top-down and business-driven nature leads to uncertain benefits for producers and results in the marginalization of certain development concerns." The Sustainable Food Lab does indeed incubate business-driven partnerships. Below is a bit of history and accomplishments. We invite readers into inquiry about Bitzer's observations. We can't help but ask to what degree bottom-up "governance" of food supply chains is practical, under what conditions, and to what degree is this notion utopian beyond the scale and scope of local markets?

The Food Lab first convened in June 2004 as a two-year leadership journey for 30 people from three sectors—business, government and civil society—from the US, Europe and Latin America. Before the first workshop, Adam Kahane and Hal Hamilton conducted dozens of lengthy interviews with key players across the system.

When Adam Kahane and I invited people to participate in the core team, we wanted a "strategic microcosm" of the system, and our two criteria were influence and diversity—one colleague from Oxfam called it a collection of "stickholders" and those who commonly get hit with the stick. Unlike standard-setting bodies like Forest Stewardship Council, which have to be representative, we knew that we could never find 30 people who would adequately represent all the key groups in three sectors on 3 continents. We were also constrained by our own design—lots of workshops and travel—that tended to rule out active farmers. We depended upon people who worked in development organizations and farmer, farm worker, or consumer organizations to speak for their constituencies. One person we were quite keen to engage, the president of Via Campesina, declined to participate for political reasons.

The Food Lab's focus on "mainstream" food emerged from many suggestions that much work already focused on niche supply chains for local or certified products, but most food in mainstream grocery stores and restaurants lacked attention from sustainability initiatives. The design architecture of the Lab was a series of workshops, learning journeys, and project prototyping organized around Theory U[1] (Scharmer 2007), and the Lab's secretariat benefited from close relationships with colleagues in MIT's organizational learning and presencing circles. Peter Senge (Fifth Discipline, Presencing, and The Necessary Revolution) introduced me to both Otto Scharmer (Theory U) and Adam Kahane (Solving Tough Problems, Power and Love). All

[1] http://www.presencing.com

of them engaged in Lab design conversations, and Adam was the lead designer and facilitator for the first two years 2004-2006. The Lab's process drew from a few simple elements:

1. The diversity and collective influence of the core team, enabling it to understand the system from multiple perspectives and then to act effectively;
2. A convening and sensing process of interviews, dialogue workshops, and learning journeys to cultivate both cognitive and experiential shared learning;
3. A "presencing" workshop, designed around individual solos in the high desert, to help everyone access deep sources of commitment that transcend organizational agendas;
4. Rapid cycle prototyping of innovation ideas so that projects get conceptually tested with a diverse set of actors before implementation plans are fully created;
5. Institutionalization of tools, approaches, supply chain engagement processes, organizational commitments, and industry-wide agreements.

The multi-sector character of the Food Lab, as well as its focus on sustainability in mainstream business, were both unique in 2004, although by 2013 neither is at all unique. As a result of a plethora of multi-stakeholder initiatives and competition for attention from many different organizations, the Food Lab has had to evolve to add value to its constituent organizations.

The four key functions of the Sustainable Food Lab are piloting innovation, leadership development, support for organizational strategy, and insight and analysis.

Sustainable Food Lab members believe that the industry is facing critical issues that cannot be tackled by one organization. These wicked problems include water quality impacts in every one of the world's waterways on which farmers grow crops, emissions from the whole food supply chain, and farm labor improvements that require immigration and government policies as well as employment conditions in private businesses. Members identify areas of collective interest and create **innovation projects in supply chains**. Food Lab staff and consultants document what works and what doesn't and organize a variety of ways for people in collaborating organizations to learn from one another. Current innovation efforts include:

- Addressing climate change through "low-carbon agriculture";
- Overcoming poverty through new approaches connecting small-scale producers to formal markets;
- Piloting sustainability strategies in large commodity systems.

The Food Lab provides opportunities for diverse stakeholders working on sustainability to meet, learn, and support each other in becoming **better leaders** for change in their organizations and in the larger system. SFL provides:

- Leadership events—focused seminars, field visits, "Learning Journeys," and working conferences bring to life new ideas, collaborations, strategies, and projects.
- A platform for strategic partnerships—safe space to explore collaboration among businesses of different scale and leaders from environmental and social NGOs.

The Food Lab's original focus on prototyping multi-sector projects evolved to a focus on

business driven supply chain projects to which NGOs or universities contribute specific competencies. Lately some of the leading companies in the Food Lab have asked for landscape level strategies and metrics to complement approaches within specific commodity supply chains. As farmers develop new ways to produce, and as value chain actors test new ways to share information and decision-making, all the key players want to assess what works and report on results. If these projects were to follow a "business as usual" path, the costs of data collection would all be imposed on the weaker players, and reporting needs would frequently go unmet. As a result NGOs and university researchers are experimenting with ways to aggregate data from public and private databases that accumulate for other purposes, including data collected by satellites that previously benefited only private input suppliers.

What are results of Food Lab activities, and who benefits? This short case study doesn't allow for thorough evaluation, but we'll offer a few observations about both environmental and social/economic outcomes.

For environmental outcomes, the large scale of many Food Lab companies enables greater positive impact. When Sysco, the largest food distributor in the US established a pesticide and materials reduction program for fruits and vegetables, more than 350,000 pounds of active ingredients in pesticides were eliminated on almost 700,000 acres during the first year. That program has continued and become quite a sophisticated learning community of growers practicing in sustainable agriculture. When PepsiCo used a greenhouse gas approach developed in the Food Lab, they were able to commit to a fifty percent reduction in five years for all production in Europe. These results are multiplied across the spectrum of companies engaged in the Food Lab.

Another strong body of work in the Food Lab consists of clusters of pilots design to benefit small farmers who participate in global value chains for food. These pilots generally engage NGOs and development organizations like Oxfam, Catholic Relief Services, and the International Center for Tropical Agriculture, and they also engage major buyers including Unilever, Mars, Kraft, and Sysco. Food Lab meetings are in developing countries every other year, and each one is preceded by learning journeys to farms, cooperatives, factories, and other local stakeholders. Project results are posted on the Food Lab website. One notable development has been Unilever's public commitment to improve the livelihood of 500,000 smallholders in their supply chains, and Food Lab staff are supporting impact assessment methods, with the partnership of Oxfam GB and other organizations well-tuned to on-the-ground challenges in developing countries.

One could argue that all of these projects strengthen the position of global corporations and ignore the public sector's traditional roles. In many ways the public sector has failed to generate the degree of innovative and positive development that the private sector is creating, but it's certainly true that these corporate led initiatives are unconstrained by any checks and balances of democratic process.

Our goal is to improve the way products are produced on millions of acres in ways that affect millions of people. PepsiCo's Walker's Crisps are a flagship product for achieving greenhouse gas and water use reductions. Unilever's Hellman's mayonnaise and Knorr soup present many opportunities to improve the sustainability of soybeans, eggs and vegetables. Both Costco and

Sysco have engaged deeply to support small farm produce cooperatives in Guatemala that produce green beans, broccoli and peas for both local and North American markets.

The Sustainable Food Lab is not revolutionary. Its mission is to accelerate progress, and its primary point of leverage is to build on the needs of food companies to demonstrate sustainable production of ingredients. The Food Lab creates a pre-competitive innovation space for these innovations.

Our guiding hypothesis is that the leadership capabilities that the Lab nurtures are as important as the tangible outcomes of projects. We think of those capabilities in three categories: issue sophistication, value chain and organizational strategy, and personal capacities to engage people across organizations and the industry. The Lab's member organizations sanction participation because of the first two areas of competence—technical competence and strategy—and the individuals who participate in projects and events tend to value most highly the latter area—personal growth, high quality relationships, and abilities to nurture organizational change.

Looking around the larger network of sustainable agriculture programs, no one project, partnership or multi-sector initiative should be expected to deliver a the full spectrum of desirable results. Campaigning organizations help stimulate Food Lab member companies to engage on some of our activities in order to alleviate reputational risk or assure supply of ingredients. More locally focused community development will likely generate democratic governance in ways that work with global corporations will never accomplish.

It may be trite but not disingenuous to suggest that we "let a thousand flowers bloom."

References

Bitzer, V. 2012. Partnering for Change: the Capacity of Partnerships to Promote Sustainable Change in Gloval Agri-food Chains. *International Food and Agribusiness Management Review* 15(Special Issue B): 13-38.

Scharmer, C. O. 2007. *Theory U: Leading from the Future as it Emerges*. Cambridge: The Society for Organizational Learning.