

Sustainability Entrenched in Food Industry

At one time debated to be a fad, sustainability is now an unequivocally established part of the food industry. All sectors are incorporating environmental and related initiatives and many companies are meeting targets early and expanding investments. While consumer awareness and understanding is harder to determine, look for companies to continue to roll out sustainable initiatives in 2012 and beyond.

Companies are increasingly invested in the movement to capture not only positive consumer sentiment and public relations but meaningful cost savings. “Sustainability has emerged as a factor in determining which companies win in the marketplace, and smart CEOs are investing in a more rigorous approach to the environment,” according to Daniel C. Esty, an environmental policy professor at Yale Law School, reported *Bloomberg Businessweek* (Mar. 31, 2011). “A good number of companies begin to see the upside opportunity. The very best companies see the brand and corporate identity opportunity.” Raw material price increases for commodities including plastic packaging, corn and fuel are accelerating the desire for advancement.

Over 13,000 Sustainable Food, Drink Products Introduced Since 2005

Some 13,000 new sustainable food and drink products launched since 2005, according to tracking by Mintel Global New Products Database. About 45% of sustainable food and drink users cite a perceived belief in superior quality as the reason behind their purchases. Meanwhile, 43% buy sustainable food and drink because they are concerned about environmental/human welfare and 42% are concerned with food safety. However, about 40% never heard of the solar/wind energy usage claim; the 37% that heard of the claim never purchase a food or drink product bearing it. Approximately 34% never heard of Fair Trade and 32% were unaware of reduced carbon footprint/emissions. The findings are in line with a Hartman Group report, *Marketing Sustainability 2010: Bridging the Gap Between Consumers and Companies*, which found that while most consumers are aware of sustainability, few can name products or companies that practice sustainable initiatives. About 69% of consumers are familiar with the term sustainability, compared to 54% in 2007. Approximately 21% can identify a sustainable product and 12% can name specific companies.

Sustainable Packaging a Priority as Companies Seek to Reduce Waste

Food, beverage and consumer products manufacturers anticipate that they will eliminate four billion-lbs. of packaging waste nationwide from 2005 to 2020, according to a survey released by the Grocery Manufacturers Association. More than 1.5 billion-lbs. have already been avoided since 2005, consisting of 800 million-lbs. of plastic and more than 500 million-lbs. of paper. Another 2.5 billion-lbs. of packaging waste are expected to be avoided by 2020. The four billion-lbs. represents a 19% reduction of reporting companies’ total average U.S. packaging weight.