

CREATING COLLABORATION FOR TRANSPARENT SUPPLY CHAINS IN THE FAST FOOD INDUSTRY TO FIGHT DEFORESTATION



What some of the largest chains are doing and how we rank them

Fast food is a deforestation driver

- Agriculture and cattle ranching account for 80% of deforestation worldwide (Kissinger, Herold & Sy, 2012).
- The production of cattle emits 20 x more GHG per gram of beef and requires 25 x more land area than plants to produce the same amount of protein (Sewell, 2020).
- Up to 75% of the world's soy is used to feed livestock (Sharma & Goodman, 2016).
- In the United States, the ranching industry can be subsidized by up to 38 billion dollars per year (Sewell, 2020).
- In Indonesia, 80% of the fires are related to land clearance for palm oil plantations (Schlanger, 2019), resulting in tremendous loss of biodiversity.

How have companies and consumers become disconnected from their food sources?

A report by the Union of Concerned Scientists has pointed out how the lack of supply chain transparency allows harmful environmental practices to take place in the industry. Even though certain suppliers might assure fast food companies that their meat is deforestation-free, ranchers can receive cattle from indirect ranchers who may practice illegal deforestation (Sharma & Goodman, 2016). The same may occur in the supply of palm oil, as studies demonstrate the questionable effectiveness of the current RoundTable on Sustainable Palm Oil certification.

#1



- A&W Canada openly markets itself as a first mover in sustainable fast food.
- List, on their website, their actions and achievements for a more sustainable practices & supply chain, from sourcing their food and ingredients, efforts on saving energy and water, developing sustainable alternatives for packaging, and reducing overall waste.
- They proudly advocate for sustainable meat (raised without artificial hormones or steroids) and ranching.
- They were the first to introduce Beyond Meat, and switch to paper straws entirely.
- They although do not link their activities back to deforestation, and lack info on the proportion of foreign meat used.
- With further investigation, there is speculation that most of their meat comes from Australia to meet high demand. Australian government estimates 73% of deforestation in the country is linked to grazing and beef production.

A&W makes great effort in bringing quality foods to its Canadian consumers, showing where their ingredients are sourced, and their sustainable practices, but fail to link them back to deforestation.

#2



- McDonald's, buy their chicken from Cargill, which feeds its poultry with imported soy, coming from the Bolivian Amazon and Brazilian Cerrado — areas rapidly being deforested for new soy plantations.
- 2007 Soy Moratorium: agreements between Cargill and other global commodities companies to stop deforestation for soy plantations in the Brazilian Amazon.
- Instead Cargill and other companies source their soy purchases from nearby areas (Bolivian Amazon and Brazilian Cerrado, a vast area of savanna)
- McDonald's is now working towards deforestation free supply chains while being part of multiple organisations and agreements to end deforestation.
- **Corporation Commitment on Forests:**
 - Monitor their progress and evaluate the deforestation risk of other raw materials to ensure they remain focused on the materials and regions most urgently requiring action,
 - Report transparently on their progress annually
 - Partner with industry, governments, NGOs to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods.
 - Move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements

#3



- Source exclusively from suppliers who purchased their palm oil from RSPO members
- Committed to work closely with suppliers to improve the traceability and transparency of the palm oil sourcing for Subway's products
- Certified coffee & tea in the UK & Ireland (Rainforest Alliance)
- Use of internal and external third party audits to ensure their standards are being met
- Deforestation issue not mentioned in the company's section of meat, poultry and produce, thus being exclusively related to palm oil

#4



- Vouched to eliminate deforestation of primary forests and areas of "high conservation value" from their supply chain completely by 2030. Goal would be achieved by "working closely with their partners" regarding this pressing matter.
- Expressed desire to improve visibility of the origins of their raw materials
- Received criticism for delaying their actions on the issue and allowing suppliers like Cargill to keep their unsustainable practices for another 10 years. Burger King has also failed to address the recent major forest fires in the Amazonian Rainforest
- In sum, Burger King has not properly acknowledged the issue of deforestation, nor has it acted on it. However, Burger King is not in direct control, they are guilty bystanders who should demand better policies from their main suppliers, Bunge and Cargill, on these issues.

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- Over 70 brand names known in Canada including Jugo Juice, Thai Express, Allo Mon Coco, Van Houtte
- Most Fast Food franchises have high demand for meat
- Major lack of disclosure on food sourcing overall
- No statement about sustainability on their website or annual reports
- No specific commitment to deforestation found
- Only information provided is Certified coffee (Fair trade & Rainforest Alliance), notably by Van Houtte

Our Solution for the Industry: Start with research and develop collaborative transparency in supply chains

Compliance, Audits, Reports, Disclosure and Monitoring are all known practices. The cattle and agriculture industries require greater understanding and innovative practices. Can they fulfill high and increasing demands while being environmentally, socially and economically sustainable?

In order to answer this question, further research is needed. Leaders in the industry have the opportunity to invest in long-term practices such as scaling up and improving regenerative agriculture and cattle breeding. Such investments would probably translate into a decrease of short-term profits but would cement their place as leaders of the industry for the future.

How? - Collaborative Partnerships

Fast Food Companies → Innovative Research → Suppliers

By partnering with institutions who have been developing research on the field of regenerative agriculture such as reNature and the Savory Institute, these companies can provide suppliers with the needed support to transition to regenerative practices.

- Why regenerative agriculture?
- Cost Reduction (no pesticides and fertilizers)
- Risk Mitigation (Carbon Sequestration + Different Revenue Streams)
- Increased Productivity (more efficient use of resources)
- Forest as a source of nutrients rather than a waste of land



Patagonia Provisions: a regenerative farming certification born through a partnership with Bronner's, Rodale Institute and other organic industry leaders with the goal to create organic and regenerative foods. An example includes Patagonia's Long Root ale, which is brewed with Kernza (a perennial grain grown using regenerative agriculture practices).

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