

Smithfield Foods

Sowing Sustainability, Reaping Benefits

Walmart was the first major retailer to recognize the climate and water impacts of fertilizer use in grain farming and ask food companies to improve the sustainability of commodity grains. Inspired by this call to action, in 2014 global pork producer Smithfield Foods joined forces with the agricultural and scientific experts at Environmental Defense Fund (EDF) to put a fertilizer optimization plan in motion throughout its supply chain.

Out of this collaboration, SmithfieldGro was born. Through this program, Smithfield helps farmers growing feed grains to apply fertilizer more efficiently, maintain or increase crop yields and improve soil health – all while reducing water pollution and greenhouse gas emissions.

According to Craig Westerbeek, Smithfield's VP of Environment and Support Operations, "We invested in sustainable feed grains for a handful of reasons – but primarily because it's just smart business. We don't fully know the economic potential of SmithfieldGro, but we do know that helping farmers become more efficient while protecting their yields benefits our bottom line – and theirs."

Meeting – and Exceeding – Retailers' Expectations

Smithfield has been recognized by Walmart as having a "best in class" fertilizer optimization plan among the retailer's largest food suppliers. Already, SmithfieldGro has improved practices on 300,000 acres, with a goal to reach 450,000 acres by 2018.

EDF analysis suggests that Smithfield's program can also result in:

- **Better relations with suppliers and retailers:** Retailers may reward high-performing suppliers with larger purchase orders or even by selecting them as private label suppliers. EDF estimates that even a 1% increase in sales through Walmart would increase profits by six times the cost of the program.
- **Operational efficiency:** Helping local farmers can increase local grain production, meaning Smithfield can spend less importing grain from outside their hog-raising regions. EDF estimates that this could result in at least a 5x return on investment.
- **Co-marketing:** Retailers may spotlight sustainable products via favorable placement on the shelf, store coupons or their own brand advertising.
- **Consumer preference:** Shoppers often favor products from companies that are fully transparent about how their ingredients are grown. For example, Unilever's sustainable brands produced half of the company's growth and grew 30% faster than Unilever's other brands last year. EDF estimates that increasing Smithfield's sales to sustainably minded consumers by just 1% would represent a 4x return on the cost of the program.



Even using conservative estimates, EDF believes that Smithfield's sustainable grain program could yield a return of 15 times the annual cost of the program, and could generate in excess of \$4 million annually in net benefits.*

Collaborate with EDF –
contact Theresa Ehrlich at tehrlich@edf.org.

"Environmental success definitely goes hand in hand with business success."

- Maggie Monast

Manager, Sustainable Sourcing, Environmental Defense Fund

About EDF

Environmental Defense Fund (edf.org), a leading national nonprofit organization, creates transformational solutions to the most serious environmental problems. EDF links science, economics, law and innovative private-sector partnerships. Connect with us on [Twitter](#), [Facebook](#) and our [Growing Returns blog](#).



*All estimated benefits based on analysis by EDF.