Nestlé's sustainable sourcing program for vegetables in Europe

Since May 2018, Nestlé has been carrying out a sustainable sourcing program for vegetables and green leaves in seven regions within Europe: Badajoz, Spain; Laon, France; Lüchow, Germany; Kanjiža and Martonoš, Serbia; Geer, Belgium; Mikolaiv, Ukraine and Emilia Romagna, Italy. The main objectives of the projects are:

- **Increase biodiversity at the farm and field levels**
- **Better manage crop nutrients to improve crops and soil health**
- **Align crop protection efforts to an integrated pest management approach and consequently reduce the pesticide use**
- **Encourage farmers to monitor and reduce water use**
- **Protect soil biodiversity and resources against erosion**
- **Minimize greenhouse gas (GHG) emissions related to agricultural activities**

The impetus

Nestlé's goals for their transition to a regenerative food system as well as for their net zero roadmap are to reduce the environmental impact of agriculture, cut down their carbon footprint and make vegetable supply chains sustainable through regenerative agriculture practices.

Over many decades, agricultural processes have degraded soils, reduced biodiversity and locked vegetable farmers into a downward spiral of reduced productivity. Nestlé wants to encourage the implementation of regenerative agricultural practices that restore natural resources within their supply chains and with them, support sustainable livelihoods and resilient rural economies.

To achieve these goals, Nestlé has been working with a selection of European vegetable suppliers to improve their sustainability practices beyond solely complying with international standards. Suppliers were asked to focus on six main impact areas:

1. Soil conservation: to advance towards soils that are living, healthy and resilient to climate change.
2. Biodiversity conservation and management: to enhance biodiversity in the soil and minimize negative impacts of agricultural activities on biodiversity.
3. Nutrient management: to ensure that plants receive the necessary nutrients without contributing to soil and water eutrophication.
4. Crop protection: to align crop protection efforts to an integrated pest management approach while also reducing the usage of agrochemicals.
5. Water resource management: to encourage water use monitoring and reduction, especially through the use of decision making support tools.
6. Energy efficiency: to minimize energy consumption and GHG emissions related to agricultural activities.

The solution

Nestlé worked with 15 suppliers across the seven European project countries to help them and farmers in their region implement better agricultural practices.

Each supplier had its own context and ways of working, so Nestlé created a mechanism for each to select the practices that were most appropriate to their local context, interests and initiatives. Through research, they developed a set of 23 best practices for suppliers to use as guidance and trigger projects with selected farmers.

The practice of covering soil was a clear winner across suppliers as it is easier for farmers to see immediate benefits (e.g., some cover crops when mulched into the soil will reduce the prevalence of certain pests). Other practices to enhance farm biodiversity include crop rotations, supplementary organic matter application and planting of flower strips which can host pollinators.

Planting hedgerows and creating biodiversity corridors were harder practices to convince farmers to undertake, especially due to the fear of increased foreign body issues.

Once suppliers were on board, Nestlé worked with them to select the most promising and motivated farmers, with the help of local agronomists. They in turn supported farmers to implement the selected regenerative agricultural practices to reduce their farming costs and increase their agro-ecosystems resilience, whilst striving to maintain a similar yield.

Two key learnings

1. **Need to train suppliers to ensure project scalability:** The main intention of the program is to train suppliers in carrying out the project activities so they can take over five years from the start of the program. Nestlé had hypothesized that suppliers would already know all of the better agricultural practices but found it was not always the case. The supplier training included everything from teaching them what sustainability criteria to look out for and physically visiting and monitoring farms with them. Suppliers adhering to sustainability specifications is the only way to scale Nestlé's current efforts to their total supply of vegetables.

2. **The key to project success is working with the right partners:** In addition to working with Fundación Global Nature who originally consolidated the best agricultural practices, Nestlé works with local partners who are members of the Sustainable Agriculture Network and are the ones who will coach and follow up on the progress of suppliers and farmers. This combination of technical expertise and local context savviness helps making each project a success.

What's next?

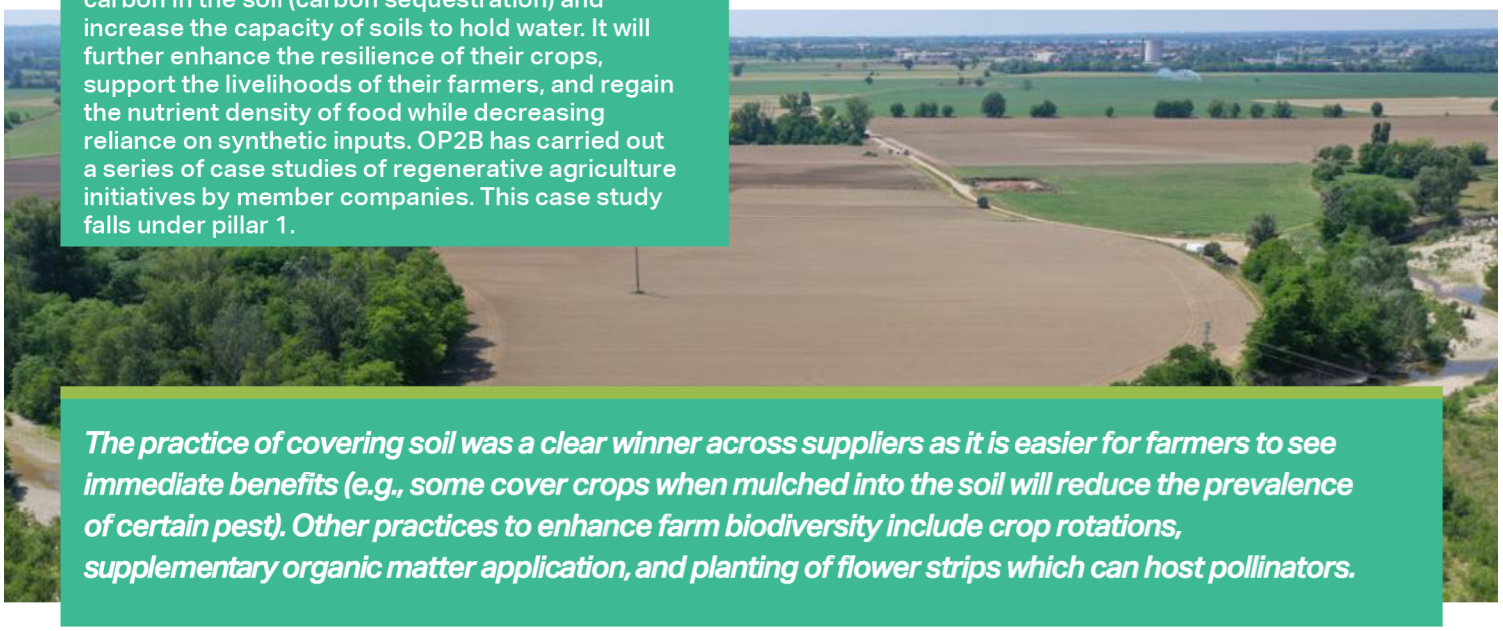
Nestlé wants to trigger a long-term change in the locations where they source their vegetables. To do this, they need to help the local communities reach a tipping point where everyone is convinced of the benefits of regenerative farming. While they haven't reached the tipping point yet, they are starting to see real change after motivating suppliers to own and lead the program. Suppliers now want to share what they have learned with their peers and have started to make some follow-up investments by themselves, which in Nestlé's view, are the biggest victories to date.

To scale up this work, market access is paramount. Nestlé hopes more food companies will start engaging and supporting their suppliers to implement regenerative agriculture practices. Governments can also play a role by providing support and incentives to farmers who implement regenerative agricultural practices. This will ensure farmers are motivated to continue farming regeneratively with or without the involvement of companies like Nestlé.

OP2B Pillar 1:

Scaling up regenerative agriculture

This pillar defines specific actions within the value chains of OP2B members on regenerative agriculture. Scaling up alternative farming practices will leverage the power of plants to keep carbon in the soil (carbon sequestration) and increase the capacity of soils to hold water. It will further enhance the resilience of their crops, support the livelihoods of their farmers, and regain the nutrient density of food while decreasing reliance on synthetic inputs. OP2B has carried out a series of case studies of regenerative agriculture initiatives by member companies. This case study falls under pillar 1.



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