

# Food Systems and Social License



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**FOOD INTEGRITY**

**Presentation to  
Food Systems Leadership Institute  
June 19, 2017**

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# HELPING TODAY'S FOOD SYSTEM EARN CONSUMER TRUST



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GMA

FAIR OAKS  
FARMS™



Smithfield®

pork  
checkoff®



ConAgra  
Foods®  
Food you love



GENERAL MILLS

Bob Evans  
FARMS®



MONSANTO

Nestlé  
Good Food, Good Life

Wegmans



Walmart  
Save money. Live better.

BUNGE  
NORTH AMERICA

ALWAYS  
Tim Hortons  
FRESH



MICHAEL  
FOODS INC.

Cargill®

COSTCO  
WHOLESALE

Tyson®



SPARBOE FARMS  
Family Owned Since 1954



FlowersFoods

SEABOARD  
foods

Publix

DU PONT®



Good things  
come from  
Sysco®



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# The Center for Food Integrity

## CFI strives to:

- ✓ *Be a Leading Voice in a Balanced Public Conversation about Food*
- ✓ *Align the Culture of Today's Food System*
- ✓ *Convene, Empower and Support Food System Stakeholders*



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# Today's Conversation

1. Story + Research-based insight into how trust is compromised, why consumers object to the food system and technology and what we can and should do to earn trust.
2. Analogy + Why lack of trust matters.
3. Numbers + Encouragement and best practices for building trust to apply immediately.



# Story



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# Once upon a time...

## Savannah's hat

- How old is she?
- When does she wear this hat?
- Tell us her favorite food.



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# Once upon a time...

## Sarah's fancy shoes

- Where does she live?
- Is she married?
- When did she wear these shoes?
- Tell me her biggest concern about food or farming.



# Once upon a time...

## Jan's purse

- Where does she take this bag?
- What is her occupation?
- Tell me what Jan thinks of Sarah and her fancy shoes.



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# True Story...



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# Today's Food System

- Today food is generally:
  - Safer
  - More available
  - More affordable
- Despite the industry's best intentions, consumers are skeptical about the decisions being made on their behalf, and the people making them.



University of Wisconsin-Extension

*How did that happen?*



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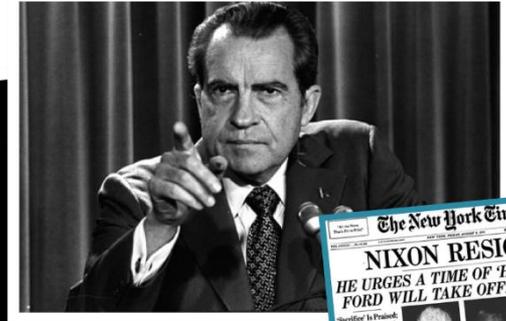
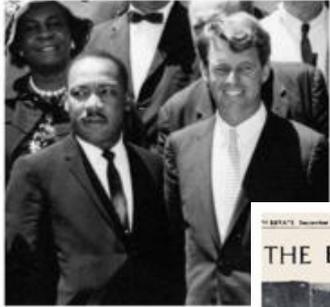
# 1968

THE YEAR THAT  
SHAPED A  
GENERATION.



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# Significant Social Shifts: Last 50 Years



IRAN CONTRA - 1986



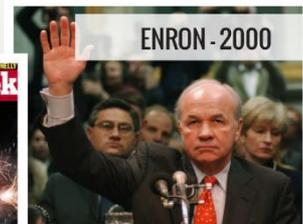
THREE MILE ISLAND - 1979



EXXON VALDEZ - 1989



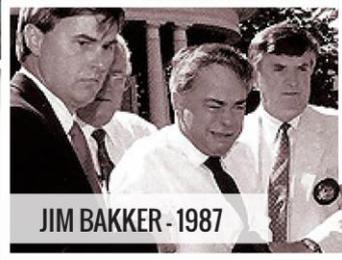
CLINTON SCANDAL - 1998



ENRON - 2000



JIMMY SWAGGERT - 1988



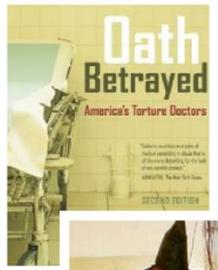
JIM BAKKER - 1987



ARTHUR ANDERSEN - 2002



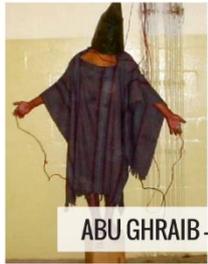
# Significant Social Shifts: Last 50 Years



JOHN EDWARDS - 2008



TIGER WOODS - 2009



ABU GHRAIB - 2004



ELIOT SPITZER - 2008

## LEHMAN BROTHERS BANKRUPTCY - 2008



March 14, 2008 12:02 P.M. ET

## Bear Stearns bailout

J.P. Morgan and N.Y. Fed provide funds to strapped Wall St. broker

“ MORTGAGE FRAUD FLOURISHED IN AN ENVIRONMENT OF COLLAPSING LENDING STANDARDS AMID LAX REGULATION. - FINANCIAL CRISIS INQUIRY COMMISSION



BP OIL SPILL - 2010

BP'S HAYWARD APOLOGIZES: "I'D LIKE MY LIFE BACK"



PENN STATE - 2011



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What does  
this have to  
do with the  
food system?



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# Consolidation, Integration and Industrialization



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# Significant Social Shifts



## THEN

- Authority is granted primarily by office
- Broad social consensus driven by WASP males
- Communication is formal, indirect (mass communication)
- Progress is inevitable
- Institutions are respected

## NOW

- Authority is granted primarily by relationship
- No single social consensus, great diversity, many voices
- Communication is informal, direct (masses of communicators)
- Progress is possible
- Institutions are questioned



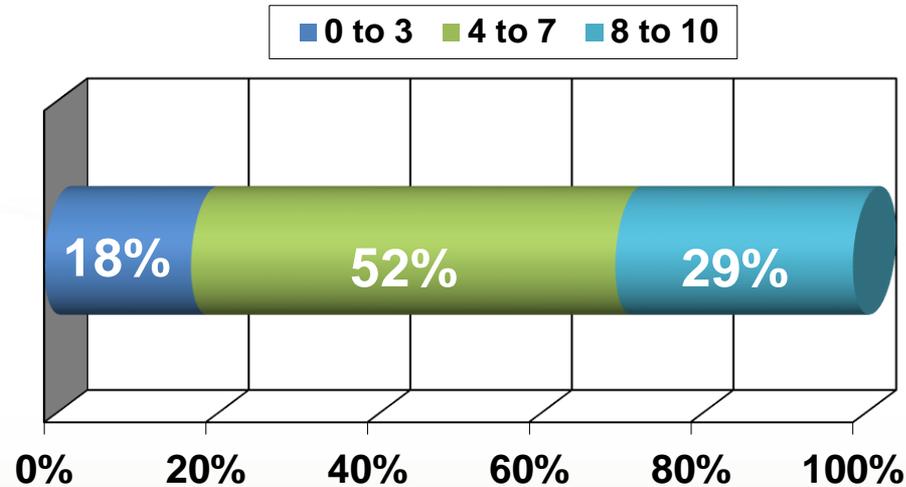
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# The **BIG** BIAS



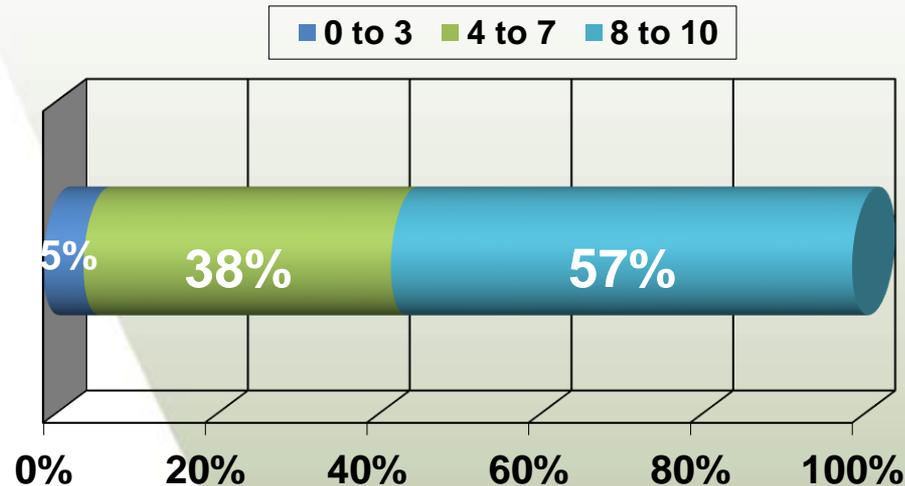
“I believe (size) food companies are likely to put their interests ahead of my interests.”

Small



Mean 5.88

Large



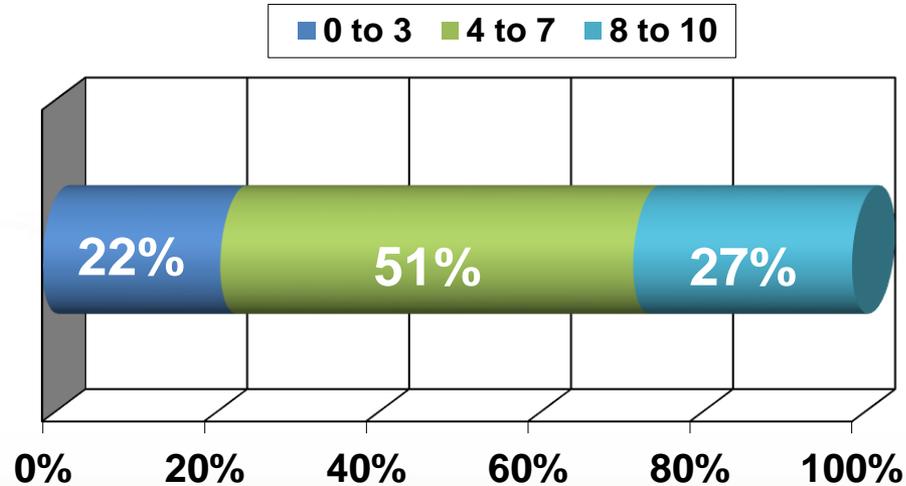
Mean 7.52



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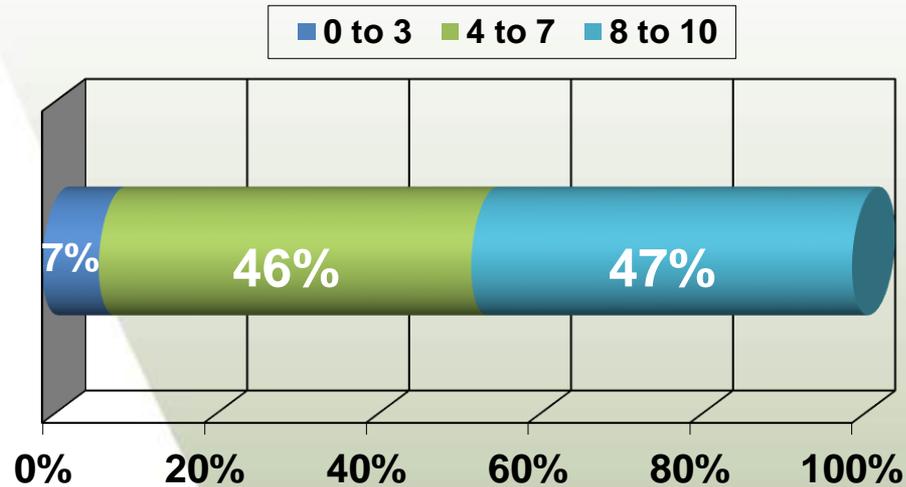
# “(Size) farms are likely to put their interests ahead of my interests.”

Small



Mean 5.56

Large



Mean 7.06

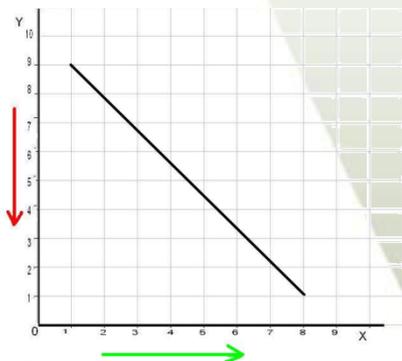


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# Overcoming the Bias Against Size



Shared Values = Trust



Big is Bad

Inverse relationship between size and the perception of shared values



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# Analogy



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# Analogy...

A relationship  
**without trust**  
is like a cell phone  
**without service...**



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... all you can do is play

**GAMES**



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# Consumer Trust Research Highlights



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What we've learned  
about building trust

# The Trust Model (Sapp/Look East)

**SOCIAL  
LICENSE**

**FREEDOM  
TO  
OPERATE**



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Trust research was  
published in the  
December 2009  
*Journal of  
Rural Sociology*

# Social License

**Definition:** The privilege of operating with minimal formalized restrictions (legislation, regulation, or market requirements) based on maintaining public trust by doing what's right.

**Public Trust:** A belief that activities are consistent with social expectations and the values of the community and other stakeholders.



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# The Social License To Operate

## Social License

**Flexible**  
**Responsive**  
**Lower Cost**

### *Guided by...*

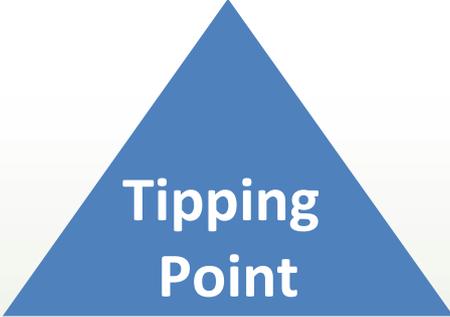
- Ethics
- Values
- Expectations
- Self regulation

## Social Control

**Rigid**  
**Bureaucratic**  
**Higher Cost**

### *Guided by...*

- Regulation
- Legislation
- Litigation
- Compliance



**Tipping  
Point**

Single triggering event  
or cumulative impact

\*SEC annual estimate for SOX compliance per public company = \$2.3 million



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# Cost of Losing Social License

- Cost of future regulations +
- Cost of assets lost +
- Cost of lost sales +
- Reduced stock price +
- Loss of consumer confidence +
- Increased operating cost +
- Loss of reputation +
- Reduced employee satisfaction

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**Total cost of social license lost**



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# Social License Challenge: Climate Change

SCIENTIFIC  
AMERICAN™



## How Meat Contributes to Global Warming

Producing beef for the table has a surprising environmental cost: it releases prodigious amounts of heat-trapping greenhouse gases

Thursday 4 September 2014

### If you really care about climate change you'll stop eating burgers

If we don't alter the way we eat and farm, the food industry will cause an environmental disaster

## To Avoid Global Warming, Stop Eating Meat and Cheese



*Fredrik Hedenus is an assistant professor at Chalmers University of Technology, Sweden. He is a co-author, with [Stefan Wirsenius](#) and [Daniel Johansson](#), of a [study](#) on meat and dairy consumption in the journal "Climate Change."*

APRIL 1, 2014

Daily **Mail**  
.com

## Eating meat is causing 'dangerous climate change', claim scientists



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# Social License Challenge: Public Health

AJC.com

Are meat and dairy as unhealthy as cigarettes?



Debunking The Milk Myth:  
Why Milk Is Bad For You And  
Your Bones

MARK  
**HYMAN**, MD  
EIGHT-TIME *The New York Times* BEST SELLING AUTHOR

**Dairy: 6 Reasons You Should Avoid It at all Costs**



**AUTHORITY NUTRITION**  
— An Evidence-Based Approach —

**Is Dairy Bad For You, or Good? The Milky, Cheesy Truth**



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# Social License Challenge: Animal Welfare



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# Social License Challenge: Biotechnology

DANNON COMMITS TO TRANSPARENCY  
AND NON-GMO FEED FOR ALL ITS COWS



MAMAVATION

SUSTAINABLE BRANDS  
The Bridge to Better Brands

News & Views Library Events Members Solution Providers At

## MARKETING AND COMMS

Sustainable Brands Issue in Focus

CHANNELS | Behavior Change Leadership Products & Design Supply Chain Marke

## Dannon's Non-GMO Commitment Garners 'Unfounded Accusations' from Farm Groups

by Hannah Furlong

November 3, 2016



## Farm War Over Sustainability

Groups Push Back on Food Claims About GMOs, Farm Practices

Chris Clayton, DTN Ag Policy Editor  
10/27/2016 | 4:19 PM CDT



OMAHA (DTN) -- Farm groups defending biotechnology are making it clear they have drawn a line in the sand against companies that convert product lines to non-GMO crops in the name of "sustainability."

Spearheaded by the U.S. Farmers and Ranchers Alliance -- a group funded by farm trade associations and industry partners -- ag organizations on Thursday announced a "straight talk" campaign to engage food companies about biotechnology and practices that should define sustainable agriculture. Farm groups also made it clear they intend to publicly call out food companies that criticize food produced with genetically modified organisms.

Food companies are latching on to the sustainability movement and also trying to avoid labeling products as containing GMOs. The U.S. Farmers and Ranchers Alliance and other farm groups are pushing back on claims that declare GMOs are unsustainable. (DTN file photo)

Farm groups have been trying for years to reverse the conversation and angst about biotechnology from at least some consumers. Yet food companies have increasingly opted to tap into that consumer ignorance on GMOs -- and avoid a future federal GMO disclosure law -- by reformulating products and promoting the brand as non-GMO. General Mills did so with Cheerios, as Hershey's has

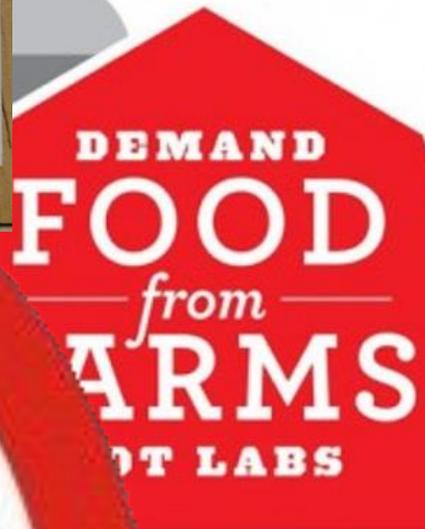


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Non-GMO Project Verified is North America's

**MOST TRUSTED**

for GMO



Organic C

GE Food  
Reactions

**GMO**

to GMO



INSTITUTE

THE  
GMO  
DECEPTION

... to Know about the Food,  
... and Government Agencies Putting  
... and Our Environment at Risk.

10 Reasons



NEW STUDY  
LIVER/KIDNEY  
DISRUPTION

ARMONAL

by Sheldon Krimsky and Jeremy Gruber  
Foreword by Ralph Nader

# The Larger Challenge

GMOs =

- Cultural shorthand
- Icon for “industrialized” food system
- Technology vs. what the technology represents



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# Warning!!

## New GMO's!! Apples And Potatoes



## GMO Apples That Won't Turn Brown? No Thanks!

### FDA Sued Over Approval Of Genetically Engineered Salmon

### Does CRISPR gene editing = GMO?

# Lies, damn lies, and CRISPR

Warning!!



Trump's Big Dump / Fleming Is Forever



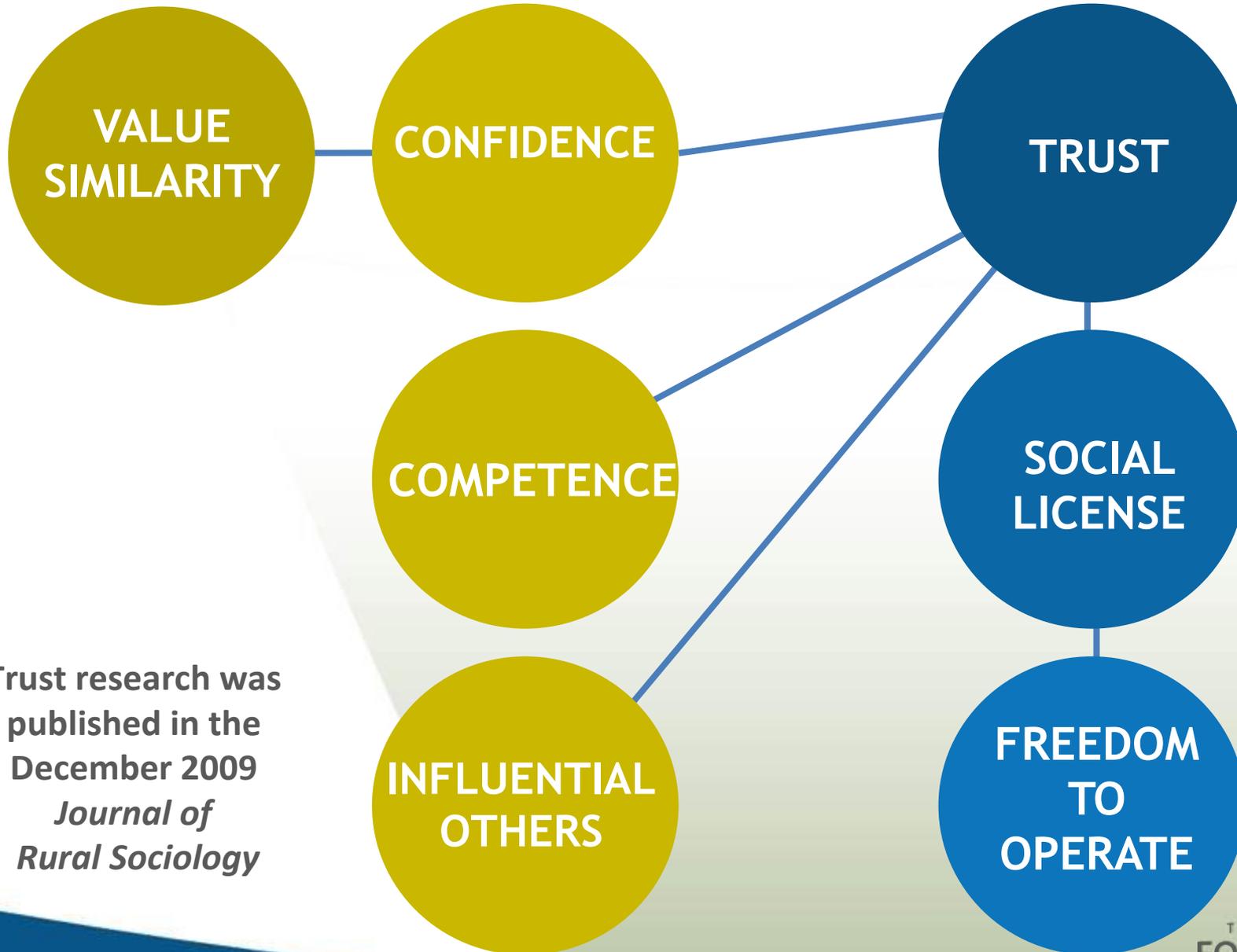
Will new technologies,  
research methods,  
processing techniques  
even be allowed?

Does CRISPR gene editing = GMO?

Lies, damn lies, and CRISPR

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# The Trust Model (Sapp/Look East)

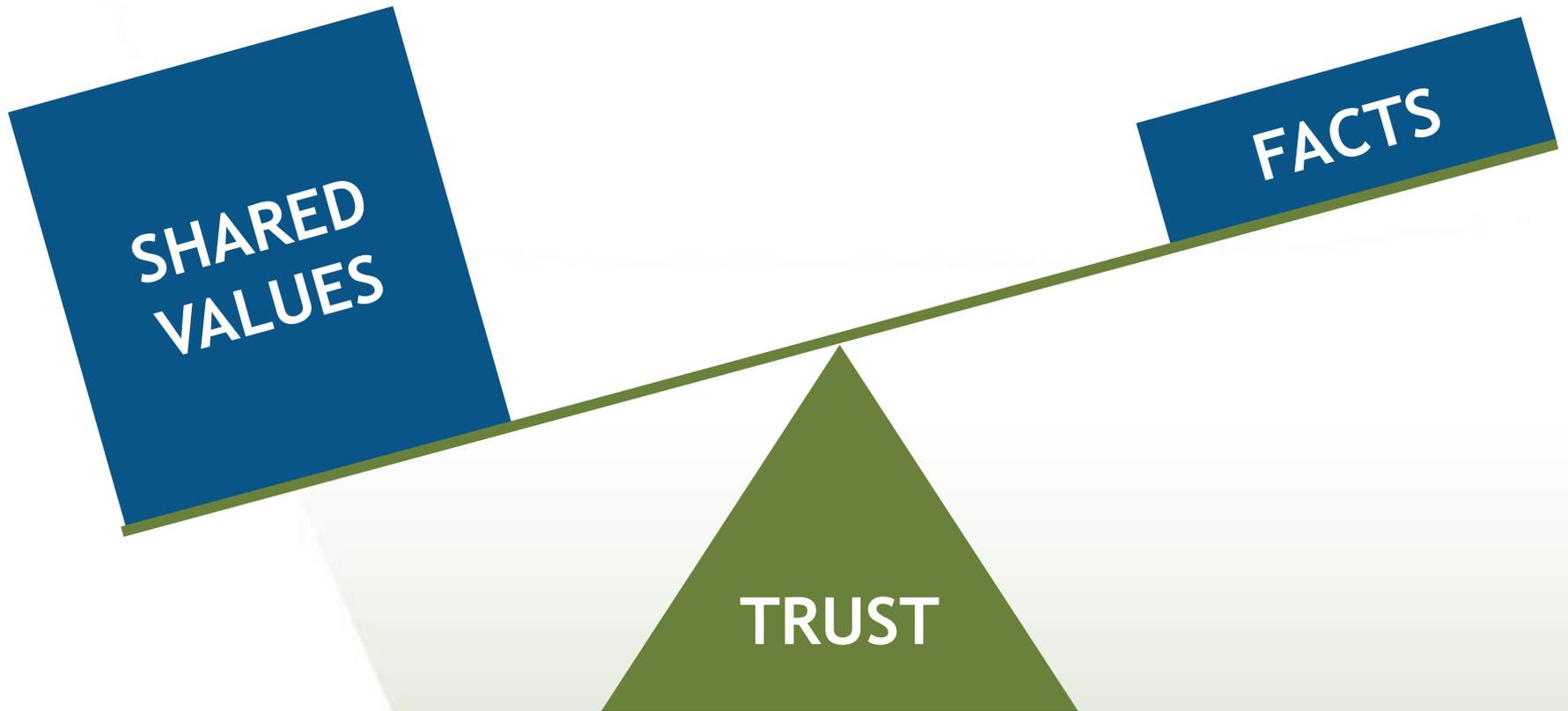


Trust research was published in the December 2009 *Journal of Rural Sociology*



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# What Drives Consumer Trust?



Shared values are 3-5x more important in building trust than sharing facts or demonstrating technical skills/expertise



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*“No one cares how much you know,  
until they know how much you care.”*

- Theodore Roosevelt

A man in a white lab coat is kneeling in a field of young green plants. He is holding a test tube with a yellow liquid in his right hand and a clipboard in his left. He is looking at the test tube with a smile. The background shows rows of plants stretching into the distance under a blue sky with light clouds.

**Don't abandon  
science and facts**

**Lead with *Shared Values*  
to Build Trust**

# Balance for Success



**ECONOMICALLY  
VIABLE**

**KNOWLEDGE**



**SUSTAINABLE  
SYSTEMS**



**SCIENTIFICALLY  
VERIFIED**

**KNOWLEDGE**

**FEELINGS  
AND BELIEFS**



**ETHICALLY  
GROUNDED**



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# Answering the Wrong Question

Ethical Question (*Should*)

Science Question (*Can*)



ETHICALLY  
GROUNDED

**FEELINGS  
AND BELIEFS**

SHARED  
VALUES

TRUST



ECONOMICALLY  
VIABLE

FACTS



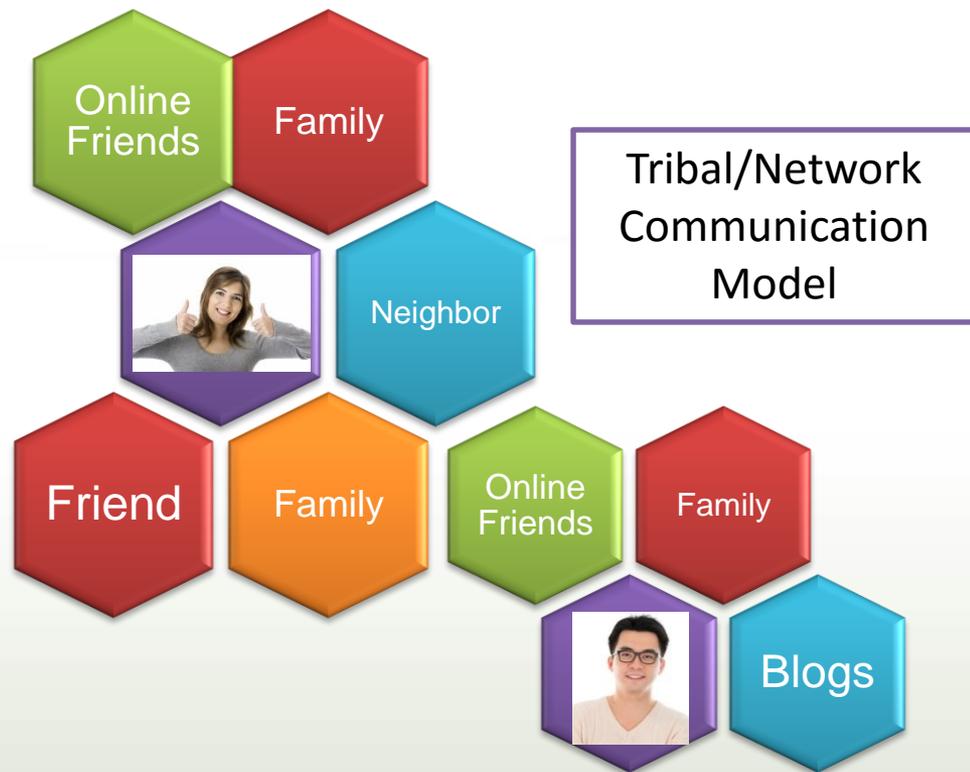
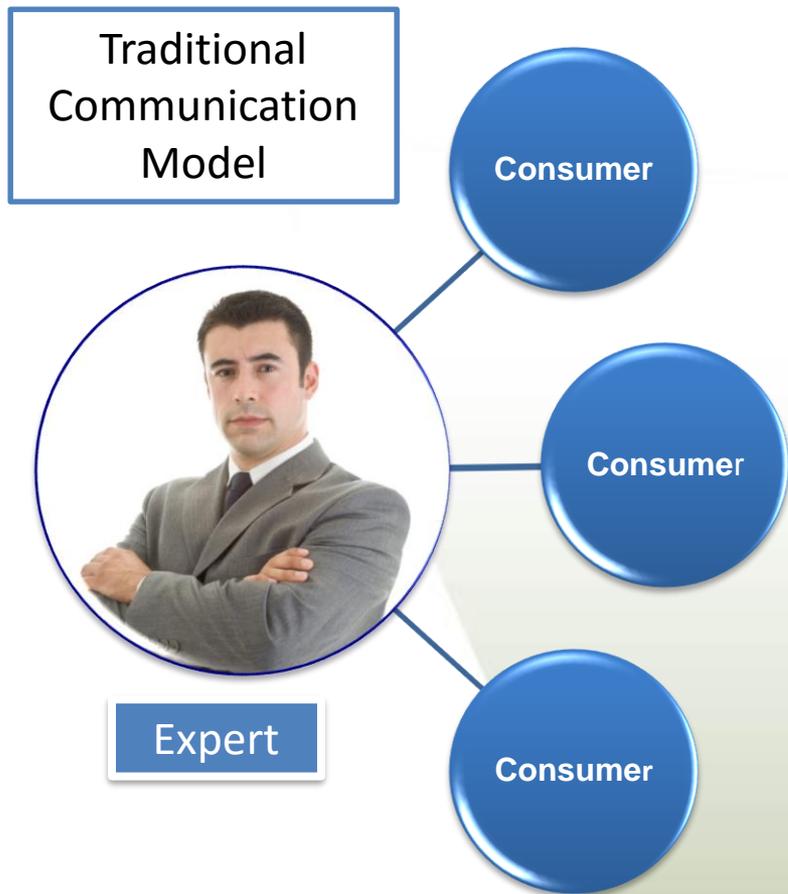
SCIENTIFICALLY  
VERIFIED

**KNOWLEDGE**



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# Communication: Then v. Now



# Reality Check

## Silver Bullet Warning.



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# The “Mom Tribe” Consumer Panel

What information sources have you used to come to your conclusions that GMOs are dangerous?



Heidi: *“I’m part of a moms group. When there is a big consensus, I think ‘there’s something here.’ **You don’t need doctors or scientists confirming it when you have hundreds of moms.**”*



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# Tribal Shunning

How do you decisions about food?



Lisa: *“I think mom guilt is a huge factor. If someone is telling you something is dangerous, for example fructose, and **you hear the message more than once you owe it to yourself to research it or quit consuming it.** I can’t keep giving my kids fructose if there’s a potential problem. We have to do our best job.”*



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# BestFoodFacts.org – Do Onions Absorb Bacteria that Cause Illness?

*No, onions do not absorb bacteria. The idea that a vegetable would attract and suck into itself bacteria from the air is not even logical. The onion may turn black because it would eventually rot from both cell breakdown events and bacterial contamination if you left it out, not because it absorbs germs.*

- Ruth MacDonald, PhD, RD, Chair and Professor of the Department of Food Science & Human Nutrition at Iowa State University

Total thumbs down on this article. Old wives tales endure centuries for a reason. *I started leaving a cut onion on the counter when my son was 12 and neither of us had as much as a cold throughout until his graduation. Science doesn't have to "prove" anything to make me believe it works.*

- Cindy Gable



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# Numbers



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# Numbers

Animals/Acres?

100



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# Numbers

% of consumers who want more information on where food comes from?

80%



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A black and white photograph of a man with curly hair and a beard, wearing a blue sweater over a collared shirt. He is standing in a grocery store aisle, looking towards a shelf on the right. A semi-transparent blue rectangular box is overlaid on the lower half of the image, containing the text "So Who Do They Trust?" in yellow.

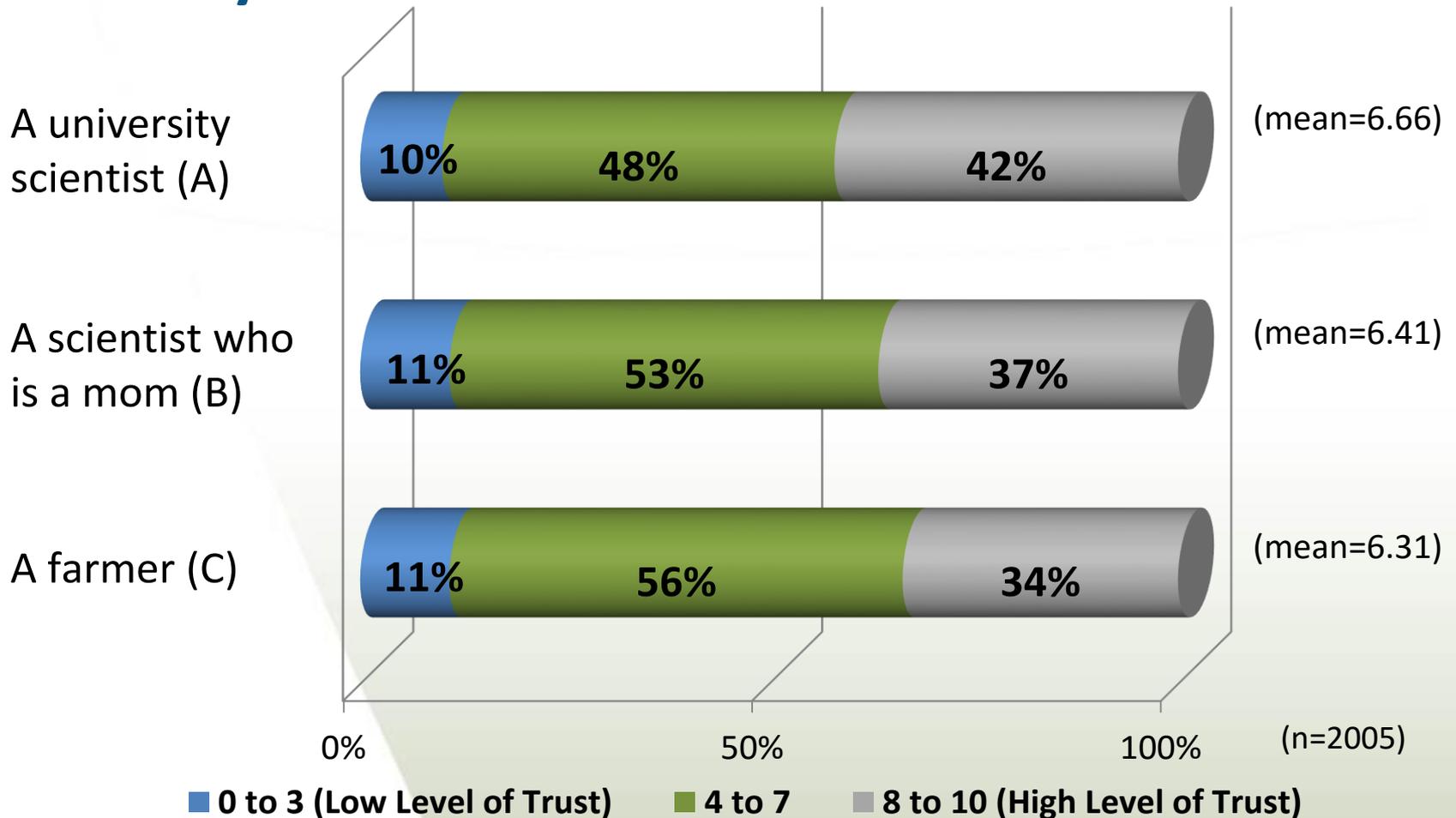
**So Who Do They Trust?**

# Who is Trusted? GMO Foods

- An advocacy group
- A peer who shares my interests about food
- A state government scientist
- A university scientist
- A farmer
- Dr. Oz
- A scientist who is a mom
- A federal government scientist
- A well-known food blogger
- A celebrity chef
- Someone who is a mom



# Level of Trust in Sources of Information About Genetically Modified Foods



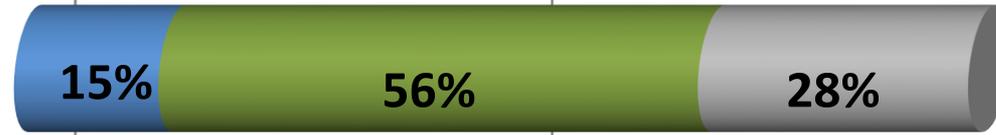
Q19b. Please rate the level of trust you have in the following sources of information GM Foods using the scale provided.



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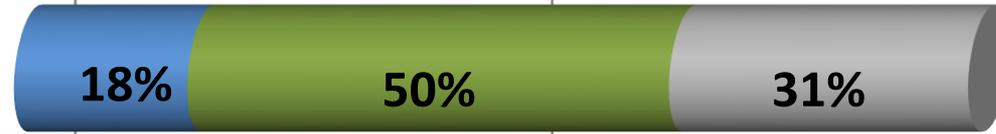
# Level of Trust in Sources of Information About Genetically Modified Foods (Continued)

A peer who shares my interests about food (D)



(mean=5.86)

A state government scientist (E)



(mean=5.83)

A federal government scientist (F)



(mean=5.82)

0%

50%

100%

(n=2005)

■ 0 to 3 (Low Level of Trust)

■ 4 to 7

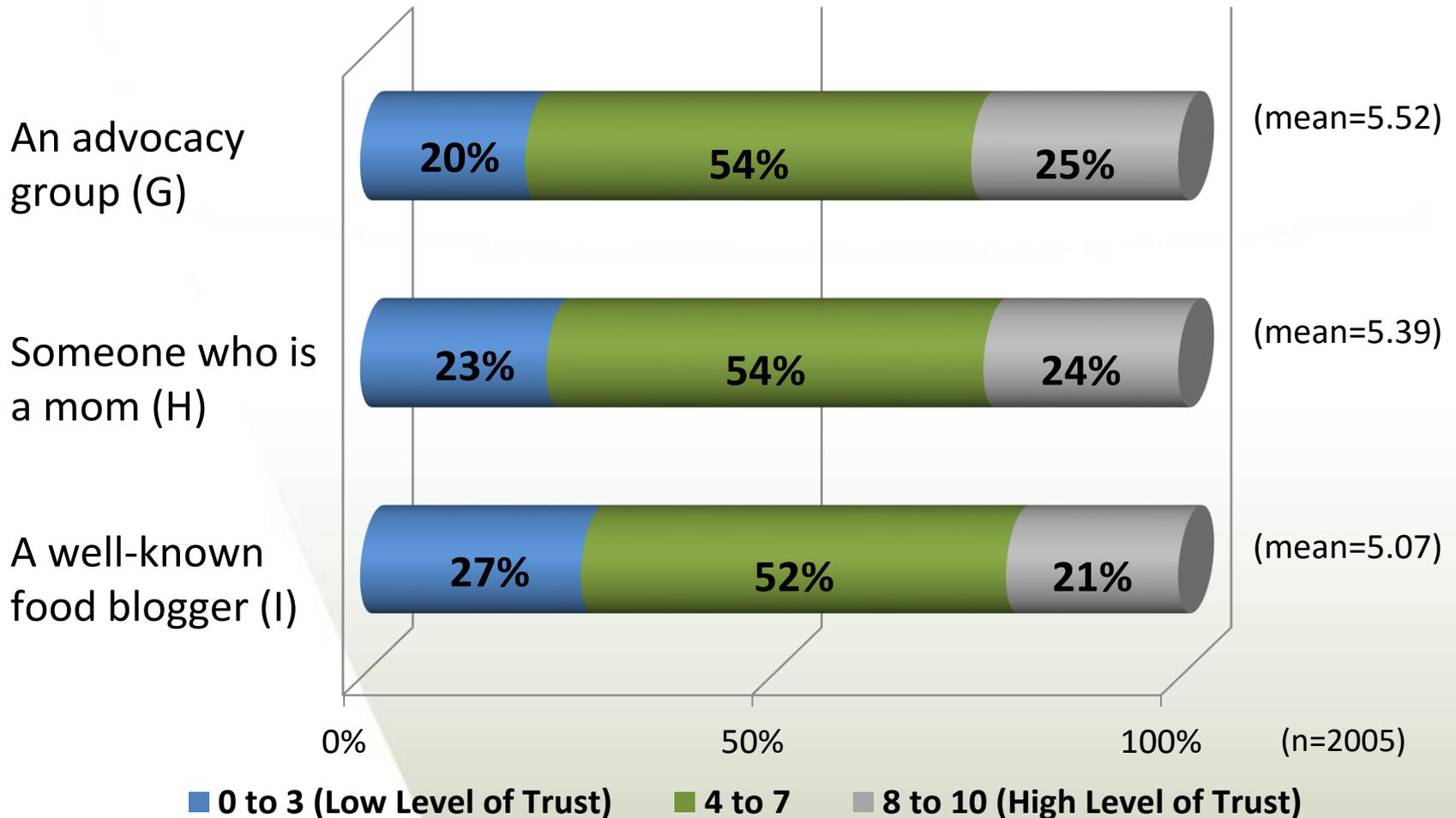
■ 8 to 10 (High Level of Trust)

Q19b. Please rate the level of trust you have in the following sources of information GM Foods using the scale provided.



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# Level of Trust in Sources of Information About Genetically Modified Foods (Continued)

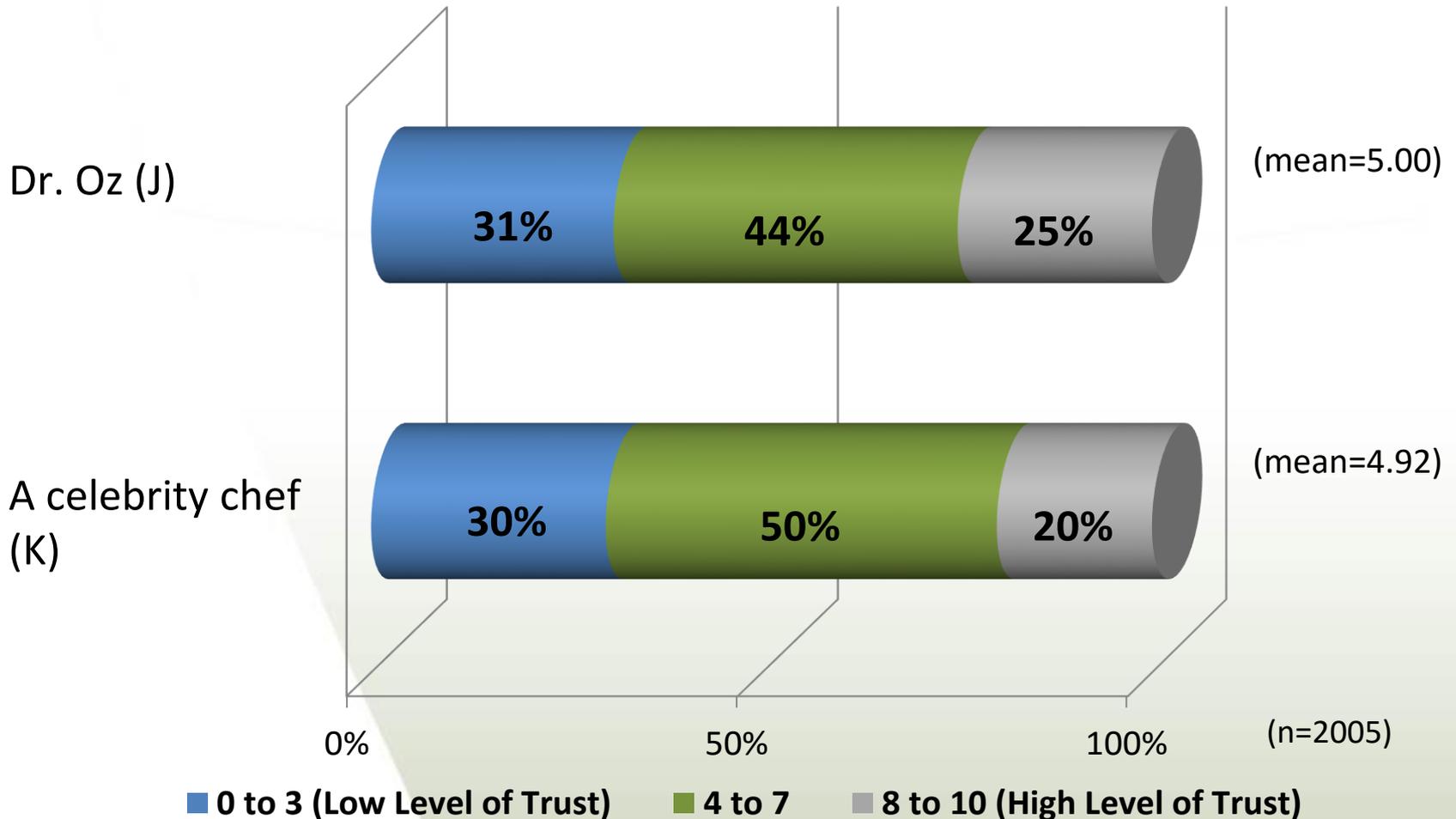


Q19b. Please rate the level of trust you have in the following sources of information GM Foods using the scale provided.



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# Level of Trust in Sources of Information About Genetically Modified Foods (Continued)



Q19b. Please rate the level of trust you have in the following sources of information GM Foods using the scale provided.



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# Level of Trust in Sources of Information About Genetically Modified Foods by Segment

Sources of Information	Total	Moms	Millennials	Foodies
(Base)	(2005)	(605)	(734)	(416)
A university scientist	6.66	6.49	6.86	7.62
A scientist who is a mom	6.41	6.68	6.63	7.63
A farmer	6.31	6.64	6.67	7.61
A peer who shares my interests about food	5.86	6.22	6.16	7.57
A state government scientist	5.83	5.69	6.10	6.70
A federal government scientist	5.82	5.68	6.04	6.72
An advocacy group	5.52	6.02*	5.94	7.29*
Someone who is a mom	5.39	5.99	5.77	7.20*
A well-known food blogger	5.07	5.68	5.80	7.13*
Dr. Oz	5.00	5.52	5.27	6.77
A celebrity chef	4.92	5.33	5.49	6.66



# Numbers

\_\_\_\_\_ steps that empower you to have conversations on complex, controversial topics?

3



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# ENGAGE™



**LISTEN**



**ASK**



**SHARE**

ENGAGE™



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# Trust-Building Engagement

# How do we engage?



**VALUES**



FOR  
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# Why Values Matter

Those in food and agriculture  
talk about *what* and *how*

Science!

Economics!



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# Can the System Change Its Approach?

## Historically



Research proves  
it's ok to do this ...



Financially, it's in our  
best interest ...

Could we  
*Shift?*



It sounds like food safety  
is important to you ...



# Examples of Universal Values

- **Responsibility:** *“Produce safe food. Operate ethically.”*
- **Respect:** *“Protect the environment and animal health. Invite consumer questions and provide meaningful responses.”*
- **Fairness:** *“Balance needs of people, animals and the planet.”*
- **Truth:** *“Be honest. Talk about the good and the bad.”*



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# Reframing the Benefits of Technology

## OLD Themes

- **Profitability**
- **Efficiency**
- **Scientific Advancement**

## NEW Themes

- **Improving food look, taste, nutrition**
- **Preserving the environment/sustainability**
- **Protecting animal health/reducing suffering**



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# Trust-Building Transparency

Steps You Can Take to Reinforce  
Values-Based Communication

# Transparency Means Business

“Consumers have begun to weigh a new set of factors more heavily in their purchase, disrupting the consumer value equation in ways that present both opportunities and challenges for the food industry. “

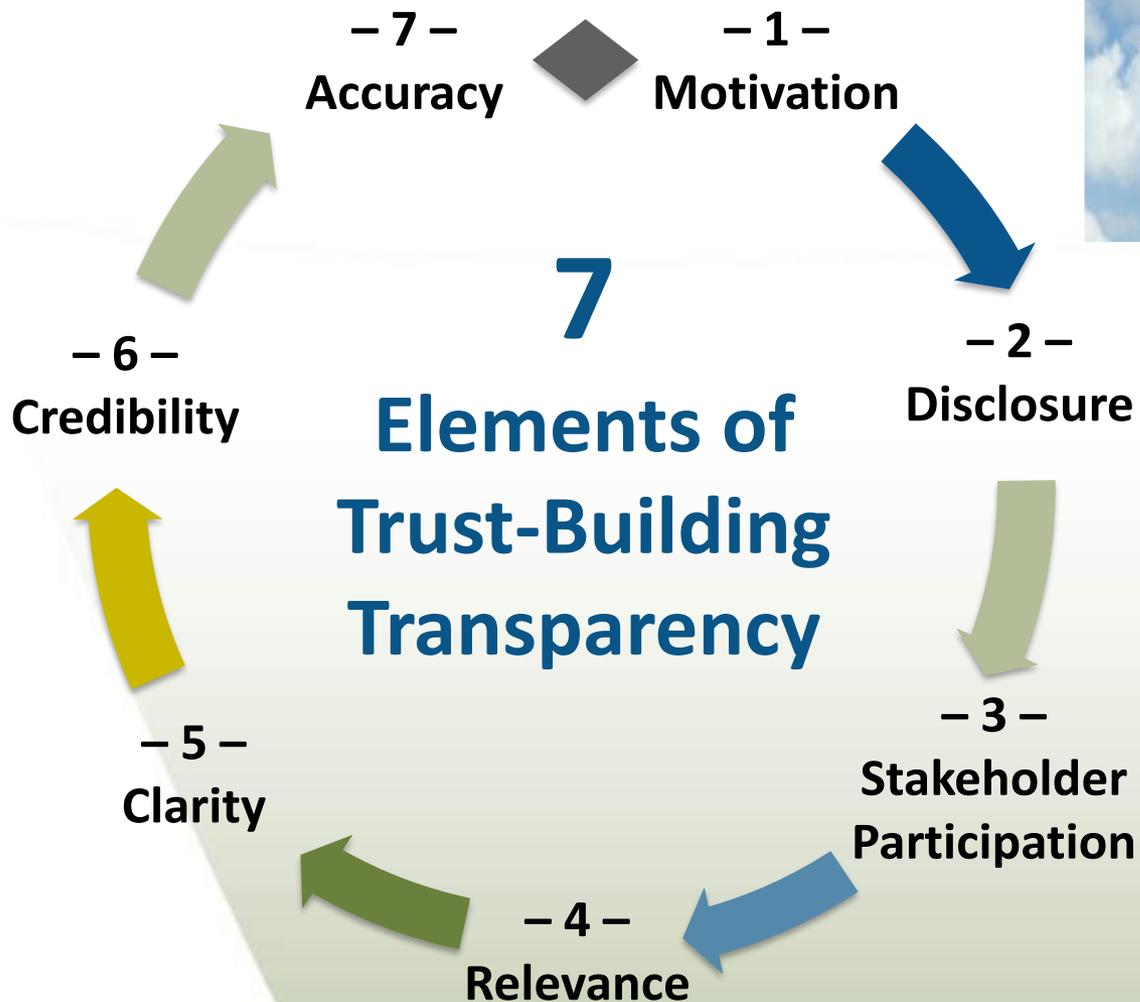


Source: Deloitte Food Value Equation Survey 2015, Deloitte Analysis



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# Transparency Defined



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# Trust Building Transparency

Motivations

1. **Motivation** – Act in a manner that is ethical and consistent with stakeholder interest. Show you understand and appreciate issues and take action that demonstrates you balance public interest with self interest.

Disclosure

2. **Disclosure** – Share information important to stakeholders, both positive and negative, even if it might be damaging. Make it easy to find; helpful in making informed decisions; easy to understand and timely.

Stakeholder Participation

3. **Stakeholder Participation** – Ask those interested in your activities and impact, for input. Make it easy to provide; acknowledge it has been received and explain how and why you make decisions.



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# Trust Building Transparency



Relevance

4. **Relevance** – Share information stakeholders deem relevant. Ask them. Show you understand.



Clarity

5. **Clarity** – Share information that is easily understood.



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# Trust Building Transparency



- 6. Credibility** – Admit mistakes; apologize; accept responsibility; engage critics; share plans for corrective action. Demonstrate you genuinely care and present more than one side of controversial issues.



- 7. Accuracy** – Share information that is truthful, objective, reliable and complete.



# Final Thoughts

- **Who you are is as important as what you know**
  - Person first; expert third. Communicating shared values makes technical information more relevant and accessible
- **The public wants information from academics but not academic information**
  - Learn to speak the language of social media
- **Transparency is no longer optional**
  - Authentic transparency is the path to building trust in ag and food in the 21<sup>st</sup> century
- **Embrace skepticism – It's not personal, it's a social condition**
  - Skepticism is the fuel for scientific discovery



# Resources



FoodIntegrity.org

- Site of The Center for Food Integrity



CFIEngage.org

- 411 on events & shared values guidance



BestFoodFacts.org

- Consumer questions, Expert answers





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# Thank You!



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