

Shaping policy: GRI 13's timely launch and implications for the U.S. Farm Bill



Background

As a preeminent international sustainability standards-setting organization, GRI is innovating the corporate sustainability reporting landscape through its sector-specific standards. The newest GRI Sector Standard, *GRI 13: Agriculture, Aquaculture and Fishing 2022*, focuses on three of the world's cornerstone industries with profound impacts on sustainable development. Released in June 2022 and effective from 1 January 2024 its launch concurrent with emerging sustainability legislations such as the update of the current U.S. Farm Bill which expired in September and was extended by Congress for one more year this past November.

U.S. Farm Bill: objectives and political landscape

The U.S. Farm Bill, an omnibus legislation package, spans the entirety of the U.S. food system, impacting farming livelihoods, production methods, and the types of foods grown nationwide. Passed approximately every five years since the 1930s, the Farm Bill has significant implications for agriculture in the U.S. The draft of the impending Bill is expected to incorporate numerous new clauses, particularly those centered on combating climate change and promoting equity. Companies within sectors governed by the new Bill will need a comprehensive understanding of their social and environmental risks and impacts, as well as the processes and capabilities to manage them effectively.

Evolving Sustainability Ambitions and Action

Societal and regulatory demands for environmental monitoring and reporting regulations have significantly increased in recent years. As the U.S. reinforces its focus on sustainable development across various sectors, this nexus is particularly significant for agriculture. Historically shaping agricultural policies, the U.S. Farm Bill sets out to be at the forefront of driving these changes.

This may manifest in enhanced subsidies and support mechanisms that encourage farmers to adopt more sustainable practices. In tandem with global sustainability priorities, the Farm Bill positions the U.S. to set a precedent for future agricultural policies worldwide.

GRI 13's Contribution to Sustainable Agriculture

Despite global advocacy for improved sustainability in agriculture, this sector has minimal sustainability-related disclosures. A gap analysis study performed by a cohort of Sustainability Management graduate students at Columbia University, targeting 100 of the largest public and private companies and cooperatives in the US, revealed that over 47% of the publicly listed companies analyzed in this sector do not disclose any sustainability-related information. The lack of this information can limit effective policy efforts and consequently hinder global progress towards the United Nations Sustainable Development Goals (SDGs). To increase the completeness and comparability of sustainability information, GRI 13 provides guidance on disclosures for organizations worldwide involved in crop cultivation, animal production, aquaculture, and/or fishing.

Integration of GRI 13 into Policymaking

The GRI Sector Program is founded upon the mission to cultivate Sector Standards, offering authoritative insights into the facets that embody a sector's most profound impacts from a sustainable development standpoint. The Sector Standards aim to encapsulate stakeholders' expectations for comprehensive sustainability reporting within an industry, directing the focus toward the impacts that hold paramount significance. In alignment with this ethos, the GRI 13 Standard for the agriculture sector emerges as a pioneering force, encompassing over 26 material topics that meticulously address the industry's diverse and critical sustainability dimensions.

Stakeholders in the U.S. Farm Bill Policy Process, ranging from the United States Department of Agriculture (USDA) to farm organizations and environmental groups, can leverage GRI 13's detailed insights for informed decision-making. Integrating GRI 13's material topics into current and future policy frameworks is essential for enhanced decision-making with specific data, prioritizing key sustainability issues, addressing policy gaps, and building a foundation for future policies. Policymakers can incentivize GRI 13 adoption through tax benefits, subsidies, or industry-specific incentives, reinforcing the symbiotic relationship between robust reporting standards and effective policy implementation.

Navigating the Dynamic Landscape with GRI 13

In the dynamic landscape of agricultural policymaking, the significance of GRI 13 is crucial for policymakers, providing wise insights to navigate and regulate the sector judiciously.

The sector targets equip policymakers with a nuanced understanding, acting as a guide to steer sustainable production systems toward optimal outcomes. It's important to note that 33% of emissions and 80% of biodiversity loss come from agriculture. This highlights the need for transparent data, pushing for rules that benefit farmers and improve food security. GRI 13 can play a pivotal role in assisting policymakers in tackling environmental and social quandaries within the industry. For instance, policymakers aspire to craft policies that guarantee sufficient water resources for all stakeholders, thereby alleviating conflicts and fortifying the resilience of intersectional rural communities (like Indigenous Americans).

Effective policy implementation can also be tangibly demonstrated through the allocation of funds in the U.S. Farm Bill , where a mere 6.8% of the total \$428 Billion budget is dedicated to conservation practices. By leveraging the influence of GRI 13, there is potential to advocate for a strategic reallocation of this budget. Increasing investment in sustainability within the agricultural sector to ensure food security, resilience against climate disasters, and improved nutrition, areas that take over 85% of the current spend.

Conclusion

In conclusion, the integration of *GRI 13: Agriculture, Aquaculture and Fishing 2022* into the U.S. policy framework, particularly with the upcoming U.S. Farm Bill, marks a transformative step in agricultural sustainability. As policymakers grapple with the challenges of climate change and social equity, GRI 13 emerges as a crucial tool, providing comprehensive insights and data-driven guidance. Its introduction aligns seamlessly with the evolving landscape of the U.S. Farm Bill, which is increasingly focused on sustainable and regenerative farming practices. They both also align with global sustainability trends, propelling the U.S. agriculture sector to the forefront of environmental responsibility and setting a benchmark for future agricultural policies. This synergy not only enhances the effectiveness of the Farm Bill but also contributes significantly to global efforts in achieving the SDGs, demonstrating the power of collaborative, data-driven policymaking in fostering a sustainable future.