

## Social License Applies to Producers and Consumers

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The Canadian Federation of Agriculture (CFA) posits that “social license, within an agricultural producers’ context, can be defined as the ongoing level of acceptance, approval and trust of consumers, regarding how food is produced.”

Long before CFA was a twinkle in aggies’ eyes, Jean-Jacques Rousseau developed the concept of a social contract, in 1762. He said “each of us puts his person and all his power in common under the supreme direction of the general will; and in a body we receive each member as an indivisible part of the whole.” Rousseau recognized a general will of society and argued that we each contribute to this general will and each person then socially contracts to live within the general will, enforceable by law.

Social license is not a contract but rather an intangible and current acceptance of practices that impact a community. A community of consumers may grant social license to farmers based on what they perceive and believe today and there is an expectation that as new information becomes available and/or new beliefs develop, that consumers may want to upgrade their social license.

It’s no wonder that some farmers are wary of gaining social license and investing in new long term production systems. Even if these systems are accepted today, they may or may not meet social license consensus by the time an investment is fully utilized. Public perception can be fickle and change more quickly than that.

When farmers invest money they have lots of skin in the game. How will they know that consumers will buy their products preferentially or better yet pay a premium? With social license they don’t know. However, if they do not strategically invest at times when investment is required anyway, they will still have skin in the game, with less chance of success.

Nevertheless, it seems to me that consumers too, should seek a social license with farmers and others in the agricultural value chain. If agricultural businesses produce, process and deliver sufficient and healthy food, then consumers can reasonably be expected to eat appropriate amounts, select food that improves rather than degrades their health and reduce household food waste. When consumers harm their health, our societal health costs increase and overall economic productivity decreases. Household food waste is half of the 40% of food wasted along

the value chain, or in other words 20% of all food wasted every year, in Canada. It makes no sense to squeeze production capacity, in order to indulge the luxury of wasting food and eating ourselves sick.

The Canadian horticulture sector provides the fruits and vegetables, well recognized to maintain and improve human health. Within the context of a dialogue between the horticultural industry and consumers, it is also fair to ask consumers about their willingness to pay for food that augments their health and is produced with a light footprint, especially when similar imported food from California is increasing in price.

Consumers who advocate through organizations and/or petitions, have a reasonable obligation to explain their penchant for products that are cheap and convenient. Being granted social license has less credibility and longevity, if they allow no wiggle room with 'cheap and convenient' criteria.

In some cases, there are opportunities for agricultural businesses to differentiate and brand products that address concerns of consumers. For example, many greenhouses have limited pesticide applications, given the use of beneficial predators, within a closed environment. If most, or all, of the Canadian sector adopts such a practice there may be an opportunity to brand Canadian greenhouse products.

Branding involves compliance from all producers and/or processors providing products for the brand, with costs of inspection and third party verification. Such an approach goes beyond the intangible acceptance of social license, to a verifiable system. However, if consumers recognize the value of the brand they may preferentially select these products, if not pay more for them.

On the other hand, unsatisfied consumers may try to convince governments to become involved to ensure that producers follow given criteria. If government regulation is required, then we are approaching the social contract envisaged by Rousseau in the 18<sup>th</sup> century. A social contract involves law enforcement, and not just an intangible acceptance of a social license.

Taking the time to engage in dialogue to evolve an understanding of social license, with joint responsibilities and opportunities, may seem to producers like too much time away from attending to business or to consumers that they should not have to disclose private habits of wasting and/or harming their own health. However, dialogue can open doors and prevent

unwanted interventions. Gaining two-way social license may be the softer side of attaining food security in Canada. It beats the harder aspects of a social contract.

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