

Enough!

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BUY DIFFERENT: BUILDING CONSUMER DEMAND FOR SUSTAINABLE GOODS

By Betsy Taylor

The Center for a New American Dream convened a strategic conference in Tarrytown, New York on April 2-4, in conjunction with Co-op America, Consumer's Choice Council, and Mothers and Others for a Livable Planet to assess how to build consumer demand for sustainable products and goods. With support from the Wallace Global Foundation, Rockefeller Brothers Fund, Surdna Foundation, and the Fred Gellert Foundation, the meeting brought together leaders from local and federal government, the business community, national environmental groups and consumer organizations.

Shop for a better world. Harness market forces and consumer power to enhance social justice and protect the natural environment. Buy green. These ideas have been circulating for years, but they are now beginning to take hold in some very encouraging ways. In the past few years, individual and institutional consumers have increasingly begun voting with their wallets to reward businesses that support human rights, fair trade, and the environment. This emerging movement of organized buyers is flexing its muscle to fundamentally change the way consumer goods are produced and harvested.

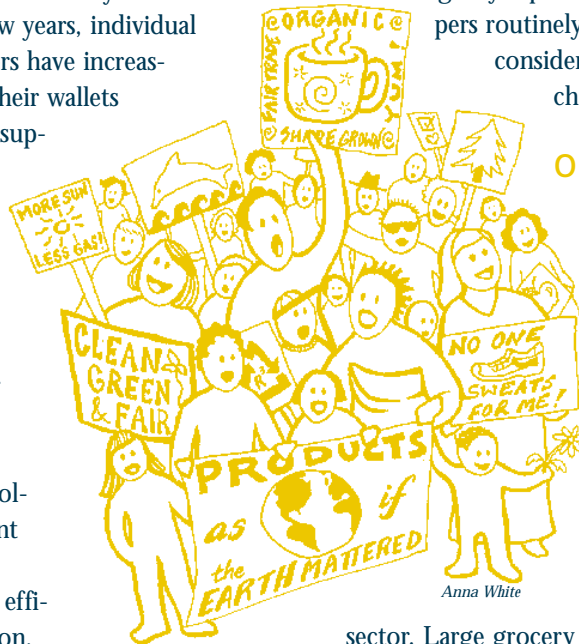
Whether asking for dolphin safe tuna, 100 percent post-consumer waste unbleached paper, energy efficient cars, or organic cotton, consumers are demanding—and getting—changes in the marketplace. Who are these green consumers and how can we increase their clout? Local and federal government agencies are playing a role, implementing green procurement programs. Universities, building contractors, and corporations are also helping, asking suppliers for new

kinds of products that leave less of a footprint on the environment. A coalition of chefs and restaurants has helped protect swordfish and is now assessing other food products. And the Environmental Protection Agency reports that 15 percent of U.S. shoppers routinely incorporate environmental considerations into their individual purchasing decisions.

Organic Food Takes Off

Take food. Retail organic food sales jumped from \$178 million in 1980 to a projected \$6.6 billion in 2000. The organic industry has sustained a 20 percent growth rate for nine consecutive years. Major food companies, including Heinz, Kellogg, General Mills, and Unilever are moving into the organic

sector. Large grocery store chains such as Kroger, Safeway, and Giant have begun offering organic products as well as other foods for health-conscious consumers. As a result of this growing consumer demand, over a million and a half acres of farmland are now in organic production. According to the Organic Trade Association, 31 percent of U.S. con-



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sumers say they purchase organic food at least once a month.

Growing consumer interest in healthy, environmentally friendly food has been coupled with campaigns focused on particular commodities and products. Coffee is a prime example. Coffee is the second most traded legal commodity after petroleum and a vital source of export revenue for many developing countries, yet coffee production can create a host of social and environmental problems. Conventional production has led to massive deforestation, loss of songbird habitat, and the degradation of soil and water due to conversion from shade to sun coffee in the quest for higher yields. Farm workers traditionally receive extremely low wages and endure poor working conditions. Growers often lose out as commercial middlemen and vendors skim off most profits.

Ten years ago, environmental and fair trade groups began focusing on the need to change coffee production practices. Consumers can now choose organic, bird-friendly, fair trade coffee, and Starbucks recently announced that it will add fair trade coffee grown by small cooperatives to its product line. These specialty coffees are produced differently—in the shade (which protects birds, trees, and saves water), organically (which ensures worker and environmental health), and by small farmer cooperatives (which promotes economic development and material security for workers in Asia, Africa, and Latin America). Consumer demand and willingness to pay a premium price have been instrumental in the shift to more sustainable forms of coffee production.

Consumer demand for sustainably harvested wood products has also influenced the forest management practices of several major timber companies. In the wake of increased clear cutting in the East and harvesting of the few remaining old growth forests in the West, environmental groups persuaded major buyers such as Home Depot to stop using old growth timber and to purchase and supply Forest Stewardship Council (FSC) labeled wood. FSC is a global certification program that establishes clear standards for sustainable wood production. This program, successfully promoted by several private foundations in conjunction with major environmental groups, has now resulted in over fifty million acres of globally certified forestland in forty countries.

One of the most exciting new developments is the

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growing number of local government agencies seeking to buy differently. Craig Perkins, Director of Environmental and Public Works for the City of Santa Monica, and Eric Friedman, Environmental Purchasing Coordinator for the State of Massachusetts, made exciting presentations at the recent Center-sponsored event in New York. These governments are exerting dynamic leadership in demonstrating how public agencies can use taxpayer clout to create a healthier environment and safer world.

These efforts are an important first step, but much more needs to be done. Gene Kahn, President and CEO of Small Planet Foods, reminded conference participants that despite the expansion of the organic food sector, these foods still only represent 1 percent of all retail food sales.

Organic food is still too expensive for many consumers and organic farming is not a quick fix for saving small family farmers, as some suggest. Nevertheless, Kahn is working with General Mills to promote the first mass-marketed certified organic cereal, Sunrise Organic, and hopes to help expand the market for organic food dramatically in the coming decade while bringing prices closer to that of conventionally produced competitors.

The Importance of a Green Label

Conference participants also examined the importance of eco-labeling as a tool for helping individual and institutional buyers identify sustainable products. Few question that products labeled by independent, credible third parties are preferable. The proliferation of label however—both first-party and third-party—has caused some consumer confusion. There are at least 25 different types of labels in the United States (not including over 40 organic food labels alone). Further complicating matters, several industries have sought to propose self-labeling schemes that would be far less rigorous yet aggressively marketed by business interests unwilling to be scrutinized by third party certifiers or labelers.

The good news for labelers and consumers is that the sustainability movement is large and still growing in the U.S., paralleling growth in other countries. Market research guru and sociologist Paul Ray has written extensively about what he calls the Cultural Creatives—a growing constituency of 40-50 million Americans dedicated to healthy and sustainable lifestyles. The PR firm Porter Novelli characterizes 22 percent of Americans as having an “ecological orientation” toward purchasing. Porter

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Novelli's research also shows that Americans say they want more information and education on green products and green purchasing, with over half saying they don't know where to find sustainable products. This mirrors the Center's recent survey of its members and underscores the importance of consumer education.

Next Steps

As a result of the recent meeting in New York, several follow-up strategy meetings are already in the works. Conference participant Fran McPoland, Chair of the White House Task Force on Recycling and chief advocate for federal green procurement programs, agreed to host a follow-up session with representatives of local government agencies to bolster their efforts to purchase sustainable products and services. The Center, in conjunction with others, will host a follow-up meeting on green e-commerce, which will explore the opportunities and potential dangers posed by the explosion of websites dedicated to environmentally friendly products.

For better or worse, a majority of people are going to continue to consume more than they have in the past. In fact, billions of poor people around the world *need* to consume more. According to the World Resources Institute, world population is expected to increase by 50 percent to 9 billion people by 2050 while economic growth is projected to increase by 400-600 percent in the same period. Globalization is fueling an explosion of consumerism that poses tremendous threats to the natural world. In this context, it is absolutely vital that products and commodities be produced and harvested differently—with a long-term focus on resource conservation, labor and community impacts, and limiting waste production.

The good news is that companies with enormous environmental impacts like McDonald's (who participated in the conference) and Sunoco are exploring how to change their practices, and major institutions like the U.S. General Services Administration, the Pentagon, and Duke University are shifting their dollars to different kinds of products.

In many ways, we are at the beginning of a complete reinvention of products and services, a process that will help dematerialize many products, slow down and alter the harvesting of others, and require the redesign and remanufacturing of others. Needless to say, we have a long way to go before we can declare victory, but it's safe to say that there is reason to be optimistic that large scale change is possible, if not inevitable.

Betsy Taylor is Executive Director and a Board Member of the Center for a New American Dream.

BOTTLE BATTLES

Turmoil is brewing in the highly profitable world of mass-marketed soft drinks and beer. Consumer groups are taking a number of beverage manufacturers to task for their failure to use sufficient quantities of recycled plastics in the production of their bottles.

One Very Fine Company

One relatively small company, however, is providing a model that larger producers could learn from. The makers of Veryfine Juice drinks prove that you can make a product in an environmentally responsible way and compete in the marketplace. Nearly half of their product packaging, 44 millions pounds a year, is made of post-consumer materials, including glass, aluminum, cardboard and plastics. They recycle and reuse 97 percent of all solid waste materials created during production, and compost 500 tons of biosolids (like fruit parts not used in juice) annually. Wow. All of this begs the question: if the little makers of Veryfine can do so much, what kind of impact could the so-called "big guys" have?

Is Coke's Promise the Real Thing?

In 1990, Coca Cola pledged to use 25 percent recycled content in the 10 billion bottles it produces in the U.S. each year. The company failed to meet this pledge, and the Center and a host of other organizations responded with campaigns calling upon Coke to fulfill its promise.

This spring, Coke announced plans to use 10 percent recycled plastic in a quarter of its bottles - substantially lower than the company's 1990 pledge but a step up from the industry norm. The Center has had several recent conversations with company officials, during which Coke expressed support for 'pay by the bag' municipal waste initiatives and other positive policies - another good development. A special thanks to all the Step by Step participants who urged Coke to keep their recycling pledge (see p.14 for information on the Step by Step monthly action network). Remember, what you do matters.

Do Miller's Promises Taste Great or are they Less Filling?

In March, the Miller Brewing Company unveiled its plans to distribute beer in a new plastic bottle, setting off alarm bells in the recycling community. While Miller has stated its intention to use some recycled content in the bottles, it has not yet publicly committed to a specific percentage. In the meantime, Grassroots Recycling Network is leading a campaign to urge Miller to use a significant level of recycled plastics in their bottles, and to ensure that the Miller bottle is compatible with the standard recycled PET system.