



CASI
Canadian Agri-food
Sustainability Initiative

IDAC
Initiative de durabilité
agroalimentaire canadienne



BENCHMARKING

What is Benchmarking?

Chances are, if you are involved in the agri-food industry, you have heard the term benchmarking. For example, some farmers participate in benchmarking programs to understand how their herd, farm, or business management practices compare to the practices of their peers. Stakeholders can also benchmark things like sustainability programs to see how they compare to one another. But the process involved in benchmarking can vary depending on the context. So, what, exactly, does the term "benchmarking" mean? Let's start with some key definitions.

Benchmark (noun): Something which can be measured and used as a standard that other things can be compared with.¹

Benchmark (verb): To judge the quality of something in relation to that of other similar things.²

Benchmarking exercise: a 'one-off' benchmark which is not part of a program, policy or strategy.³

Benchmarking program: A structured and systematic way of carrying out evaluations against benchmarks, often coupled to specific organizational or policy goals.⁴

"At its best, [benchmarking] has the potential to improve the rigour and effectiveness of the benchmarked entities through a 'race to the top.'"

Sustainability Programming Good Practice Guide for Benchmarking (page 7).

How Does Benchmarking Work?

Multiple models for benchmarking exist. In the context of sustainability, it is helpful to look at the work of the [ISEAL Alliance](#), which is a global membership-based organisation that serves as a forum for credible information sharing on sustainability codes and practices. The ISEAL Alliance identifies four typically used models for benchmarking sustainability programs.⁵ The model chosen should be influenced by the goals or anticipated outcomes of a benchmarking program.

THRESHOLD

The threshold model is the most commonly applied benchmarking model. In this model, programs set a common baseline in order for benchmarks to qualify for equivalency. The organization must decide an acceptable threshold as well as determine whether the threshold covers a broad range of sustainability topics or delves deeper in more specific topics such as workplace health and safety.

Goal(s): Understanding equivalency

Example: The FSA benchmarking tool is an example of where this threshold approach is used. In this program, users can compare content to determine whether their standard or program ‘scores’ FSA Bronze, Silver, or Gold. The [Siegelklarheit portal](#) is another example where this approach is used. The portal was created by the German government to educate consumers about which sustainability standards and certification programs meet the governments’ minimum requirements.

RANKING

The ranking approach measures the performance of standards relative to one another, rather than setting threshold requirements. In this approach, standards are ranked in order of performance using a set of criteria weighted or scored as determined by the benchmarking entity. This approach encourages lower-ranking programs or standards to improve performance to some extent and can be used to inform stakeholders, such as investors.

Goal(s): Continuous improvement, comparing performance of multiple standards

Example: Oxfam has developed [Behind the Brands](#), an initiative that assesses sustainable procurement policies of the world’s ten largest food and beverage companies. The [World Benchmarking Alliance](#) is also an example of this approach. The World Benchmarking Alliance provides rankings on progress of corporations towards the [Sustainable Development Goals \(SDGs\)](#) based on different sustainability topics.



IMPROVEMENT

The improvement approach is used by organizations looking to create improvement amongst benchmarked standards or programs. This approach strives to exceed current practices and sets expectations for future practices and standards. This approach requires regular revisions to reflect new knowledge or future aspirations. This approach is commonly used by not-for-profit organizations and governments to influence the definition of good practices in sustainability. This approach also requires continuous and transparent engagement between the standards/programs being benchmarked.

Goal(s): Continuous improvement, build an understanding of highest standards

Example: The SDGs are a well-known example of where the improvement approach is used.

PEER COMPARISON

The peer comparison approach is a more informal approach used by sustainability standards, organizations, and companies to understand how they compare to their peers or competitors. The organization carrying out the benchmark sets reference point to determine how it compares to others. This approach is used more informally, and results aren't often shared with external stakeholders. The peer comparison approach can sometimes be a form of ranking (see above).

Goal(s): Continuous improvement, understanding market competitiveness compared to peers



Why Is Benchmarking Important?

The number of sustainability standards the agri-food sector is expected to meet is increasing. The growing number of sustainability standards in the agri-food sector has led many sector stakeholders to benchmark these standards against each other in an effort to reduce duplication and understand equivalencies between standards. However, benchmarking practices and methods can differ across private sector, public sector, and not-for-profit initiatives.⁶

As of March 2021, the [ITC Standards map](#) indicates 61 sustainability standards exist that are relevant to the Canadian agricultural sector.

In 2019, ISEAL Alliance developed the Sustainability Programing Good Practice Guide for Benchmarking. The guide is based on research and engagement with global stakeholders including academia, industry, not-for-profit groups, and governments. The International Sustainability and Carbon Certification (ISCC) organization regularly compares different sustainability certification schemes as well. ISCC identifies many similar attributes as ISEAL Alliance. Based on the core principles identified by ISEAL, and ISCC’s directions on benchmarking, the core principles for benchmarking can be summarized as follows:





How Does Benchmarking Relate To CASI?

Understanding best practices for benchmarking sustainability standards is important because, without a common understanding, risk exists of rewarding lower performers and ultimately diluting the efforts to tackle sustainability challenges.⁷ CASI offers the opportunity to use best practices for benchmarking between programs and standards to better understand how on-farm sustainability efforts across Canada compare to both domestic programs/standards, and international programs/standards. Without an initiative like CASI, risk exists in other interested parties using methods of measuring sustainability performance that may not align with the realities of Canadian agriculture. The efforts of CASI are closely aligned with the [National Index on Agri-food Performance](#).

Through benchmarking, CASI can help to document the strengths of Canadian agri-food sustainability practices, programs and standards, and identify opportunities for improvement.

Resources

- 1 Oxford Advanced American Dictionary. Benchmark. Retrieved from: https://www.oxfordlearnersdictionaries.com/definition/american_english/benchmark_1
- 2 Oxford Advanced American Dictionary. Benchmark. Retrieved from: https://www.oxfordlearnersdictionaries.com/definition/american_english/benchmark_2
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- 7 ISEAL Alliance. (2019). Sustainability benchmarking good practice guide: Version 1.0. Retrieved from: https://www.isealalliance.org/sites/default/files/resource/2019-07/ISEAL_SustainabilityBenchmarkingGoodPracticeGuide2019_V5.pdf



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