

# NEW AGRI-BUSINESS ALLIANCE SETS ITS SIGHTS ON 2030 UN SDG TARGETS TO TACKLE GLOBAL FOOD SECURITY

**Thursday, September 15, 2016** – Thirty-six leading agri-business companies have today launched the **Global Agri-business Alliance (GAA)** in Singapore. Their aim is to collectively tackle the major environmental and social challenges facing agricultural supply chains and rural communities across the world.

Announced at the <u>Building Sustainable Futures Forum</u> sponsored by Olam International, the newly-formed GAA is a CEO-led private sector initiative seeking to contribute significantly to the delivery of the <u>UN Sustainable Development Goals (SDGs)</u> by 2030, most notably SDG 2: *End hunger, achieve food security and improved nutrition, and promote sustainable agriculture*<sup>1</sup>.

# Launch member companies span continents and commodities

The companies already involved are headquartered across the world with representation from Africa, Asia, Australia, USA and South America and are involved in multiple commodities including grains, dairy, edible nuts, edible oils, pulses, rubber, sugar, as well as agro-chemicals. (\*Please refer to the Appendix for the list of GAA members as at launch date, as well as quotes from company management for reporting.)

# Unique and substantial role

The GAA is unique in bringing together the companies operating closest to the 'farmgate' and therefore having the greatest influence on the stewardship of natural resources and surrounding communities, many of whom may also be employed by the sector. Member profile includes growers and producers; traders; fertiliser, agro-chemical and seed suppliers; agri-service providers, primary processors and agri-tech suppliers for both food and non-food crops.

David Nabarro, Special Advisor to the UN Secretary-General on the 2030 Agenda for Sustainable Development and Climate Change, said: "Achieving the Sustainable Development Goals by 2030 will change our world: eradicating poverty, tackling climate change and ensuring a prosperous, safe and healthy future for our children and grandchildren.

"The SDGs also represent investment opportunities for responsible businesses, and are essential for sustainable economic growth. Achieving the SDGs will only be possible with the full commitment of the business community, transforming their business models to deliver also social and environmental value, and working in partnership with the public sector and civil society.

"The launch of the Global Agri-business Alliance is excellent news for the SDGs".

While many agri-companies already collaborate with non-governmental organisations, technical implementers, consumer brands and retailers, the members of the GAA will harness their collective strengths at the 'front-line' of agricultural production to help bring the scale and impact required to drive major change.

Members will collaborate to improve rural livelihoods and working conditions, mitigate climate risks and manage natural capital sustainably at the landscape-level. This powerful combination

<sup>&</sup>lt;sup>1</sup> Please refer to the Appendix for key facts pertaining to SDG 2



will greatly improve food and nutrition security globally. In turn this will also support the delivery of SDG 1 – to end poverty in all its forms everywhere<sup>2</sup>.

**Paul Polman, Chief Executive Officer of Unilever, and a member of the SDG Advocacy Group**, said: "The Global Agri-business Alliance is a major step in aligning this critical sector behind the Sustainable Development Goals. We know the SDGs cannot be achieved without business and we must all go beyond our own individual supply chains towards broader sector wide and value chain approaches. The alliance can catalyse likeminded businesses and collaborate with other business platforms to deliver the positive impact the world needs."

Lord Mark Malloch-Brown, Chair, Business and Sustainable Development Commission commented: "Agri-business is most clearly linked to SDGs related to reducing hunger and ending poverty, but it is also critical to protecting livelihoods, achieving gender equality and fulfilling education. The companies of the Global Agri-business Alliance understand that their sector must help achieve sustainable development, but they also recognise the SDGs represent a tremendous business opportunity. We at the Business Commission look forward to working with the GAA and its member companies to seize these opportunities and create a more inclusive, sustainable world."

#### **Global Context**

In providing food and raw materials, the agricultural sector employs more than 2 billion people globally, is a foundation for rural development, and underpins many economies in terms of share of GDP and employment<sup>3</sup>.

Yet, the FAO currently estimates that of the 795 million undernourished people<sup>4</sup>, about 50%<sup>5</sup> are from smallholder farming communities, surviving off marginal lands prone to natural disasters including drought or flood. At the same time, agriculture accounts for 70% of freshwater withdrawal<sup>6</sup> and generates 12% of all manmade greenhouse gases – or up to 25% if forestry and other land use are included<sup>7</sup>. The sector's ability to boost productivity, minimise food losses and reduce impacts on natural resources is critical to food security and inclusive growth for a world population projected to rise from about 7.3 billion to 8.5 billion in 2030<sup>8</sup>.

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# Notes to the Editor:

#### **Anti-trust statement**

As participants in the GAA, the companies involved are mindful of antitrust laws and will operate within clear parameters. There shall be no discussions of competitively sensitive information, and GAA participants commit not to enter into any agreements, whether formal, informal or tacit, or concerted actions, or otherwise engage in conduct that may restrain competition. This prohibition

<sup>&</sup>lt;sup>2</sup> 2016, 18 August. Goal 1: No poverty. Retrieved from http://www.undp.org/content/undp/en/home/sdgoverview/post-2015development-agenda/goal-1.html

<sup>&</sup>lt;sup>3</sup> 2016, 18 August. Creating a Sustainable Food Future: Interim Findings. Retrieved from http://www.wri.org/publication/creating-sustainable-food-future-interim-findings

<sup>&</sup>lt;sup>4</sup> Food and Agricultural Organization of the United States. (2015). The State of Food Insecurity in the World

<sup>&</sup>lt;sup>5</sup> 2016, 18 August. Who are the hungry? Retrieved from https://www.wfp.org/hunger/who-are

<sup>&</sup>lt;sup>6</sup> 2016, 18 August. Water uses. Retrieved from http://www.fao.org/nr/water/aquastat/water\_use/index.stm

<sup>&</sup>lt;sup>7</sup> Intergovernmental Plan on Climate Change. (2014). Climate Change 2014 – Mitigation of Climate Change. 5) IPCC Working Group III AR5 (2014) Chapter 11. Agriculture, Forestry, and Other Land Use (AFOLU), Available online: www.ipcc.ch/pdf/assessment-report/ar5/wg3/ipcc\_wg3\_ar5\_ chapter11.pdf (Last accessed 09/04/2015) 
<sup>8</sup> http://www.un.org/en/development/desa/news/population/2015-report.html.



includes the exchange of competitively sensitive information, including but not limited to prices, rates, coverage, market practices, claims settlement practices, customers or any other competitive aspect of an individual company's operation. Each participant is obligated to prevent any discussion from falling outside these bounds.

#### Trade and other transactional issues

Trade and other transactional issues that fall under the purview of existing trade bodies in the sector will not be addressed by the GAA.

# About the Building Sustainable Futures Forum

The Building Sustainable Futures Forum is sponsored by Olam with the aim of convening the agri sector to help support the delivery of the UN Sustainable Development Goals (SDGs), particularly in improving global agricultural systems as referred under SDG2: "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture". Speakers and moderators include: Ms Hoonae Kim, Director, Asia and the Pacific Region, International Fund for Agricultural Development (IFAD); Dr Pavan Sukhdev, natural capital economist; Jeremy Oppenheim, Founder & Managing Partner of SYSTEMIQ and Programme Director, Business & Sustainable Development Commission; Dr Andrew Steer, Chief Executive Officer at the World Resources Institute; Peter Bakker, President of the World Business Council for Sustainable Development (WBCSD); Dr Peter White, CFO, WBCSD; David Shukman, Science Editor BBC, and Alejandro Litovsky, Founder and CEO of the Earth Security Group.



# **APPENDIX**

# I) List of GAA members at launch date (alphabetical order)

No.	Company Name	Headquartered
1	AFGRI	South Africa
2	Agrocorp International Pte Ltd	Singapore
3	Agropalma Group	Brazil
4	Balsu Gida	Turkey
5	Besana Group	UK
6	Bidco Africa Ltd	Kenya
7	Chellam Plantations Group	Malaysia
8	Export Trading Group (ETG)	Tanzania
9	Flour Mills of Nigeria PLC	Nigeria
10	Golden-Agri Resources Ltd	Singapore
11	Greenyield Berhad	Malaysia
12	Groupe Mimran	Senegal
13	Groupe SIFCA	The Ivory Coast
14	GURSOY Tarimsal Ürünler Gida Sanayi ve Ticaret A.S.	Turkey
15	Hakan Agro DMCC	UAE
16	Halcyon Agri Corporation	Singapore
17	IFFCO	UAE
18	Indian Oilseeds and Produce Export Promotion Council (IOPEPC)	India
19	Lewis M. Carter Manufacturing Inc.	US
20	Markham Agro Pte Ltd	Singapore
21	Minanga Group	Indonesia
22	Mitsubishi Corporation	Japan
23	Musim Mas Group	Singapore
24	MWT Foods	Australia
25	Olam International	Singapore
26	PureCircle Ltd	Malaysia
27	Reliable Cashew Company Pvt. Ltd.	India
28	SABIC	Saudi Arabia
29	Sime Darby Group	Malaysia
30	The Richard Franco Agency	US
31	Triputra Agro Persada	Indonesia
32	Univanich Palm Oil PCL	Thailand
33	Vijayalaxmi Cashew Company	India
34	Von Bundit Co. Ltd.	Thailand
35	Willowton Group	South Africa
36	Wilmar International Limited	Singapore



# II) Quotes from select GAA members (alphabetical order)

#### AFGRI:

"At AFGRI we are passionate about being an enabler to food security across the African continent, as such our support of the GAA puts us another step closer to fulfilling our chosen mandate." ~ Chris Venter, Chief Executive Officer of AFGRI

# Agrocorp International Pte Ltd:

"The agriculture and food production sector is one of the largest emitters of greenhouse gases across industries. While we serve a vital need in producing and transporting food around the world, it is important to ensure that we do so in a sustainable manner. This means employing efficient production practices and supply chain control and to work together with one another to promote wider adoption of these practices. This is why groups coming together, like the GAA, are so important and we aim to take an active role." ~ Vijay Iyengar, Chairman and Managing Director of Agrocorp International

# **Agropalma Group:**

"Networking, interaction, commitments, sustainable investments and policies: the Global Agri-business Alliance is the new platform for frontrunners interested in gathering to build momentum for an inclusive and responsible economy in the food and non-food value chain." ~ Marcello Brito, Chief Executive Officer of Agropalma

#### Balsu Gida:

"The GAA initiative brings together different parties from the agri-business sector and provides a wide platform of opportunity to discuss, address and execute on a plan for a sustainable future for the food industry. The GAA will fill a crucial gap in coordination between all the stakeholders to bring sustainable solutions." ~ H Cuneyd Zapsu, Chairman of Balsu Gida

# Besana Group:

"The nut and dried fruit sector is today global and becoming more and more important. High-level scientific research has confirmed the healthiness of nuts and dried fruit in the daily diet, and certified quality that starts in the field is a "must" in our international agriculture business over five continents. This means respect for the environment, sustainability for farmers and high food safety for consumers, with an eye towards the impact of climate change. We therefore welcome the initiative and the mission of the Global Agri-Business Alliance (GAA) as a very important step towards global development." ~ Giuseppe Calcagni, President of Besana

#### **Bidco Africa Ltd:**

"The Global Agri-business Alliance is an active movement by companies that recognise the potential of using demand-driven smallholder farming to end poverty and hunger by building inclusive value chains. This is the kind of commitment we need and must have from the private sector to achieve the SDGs." ~ Vimal Shah, Chief Executive Officer of Bidco Africa

# **Chellam Plantations Group:**

"Ignoring engagement on the issue of sustainability is a myopia that could damage the perceived integrity of palm oil and its derivatives. The battle to sustainability is a long and difficult one, involving cooperation of many parties throughout the entire palm oil value chain. But it is also unavoidable as with education, technology and media, people have become global citizens. The key to surviving this battle will be to embrace it." ~ Venkata Chellam, Managing Director of Chellam Plantations Group



# **Export Trading Group (ETG):**

"An initiative of creating a common platform for the agriculture Industry is welcomed by ETG. We look forward to being a committed member of the Global Agri-business Alliance. Strengths of the agri private sector will undoubtedly play a pivotal role in overcoming environmental and social challenges, contributing towards achieving the UN Sustainable Development Goal 2 as adopted in September 2015." ~ Mahesh Patel, Executive Chairman of ETG, and Ketan Patel, Group Chief Executive Officer of ETG

#### Flour Mills of Nigeria:

"The importance of achieving global food security cannot be overstated. The Global Agri-business Alliance can play a leading role at the forefront of this critical effort." ~ **John Coumantaros, Chairman of Flour Mills of Nigeria** 

#### Golden-Agri Resources Ltd:

"Agriculture plays an essential but often invisible role in our world. Without farming there is no food, no rural economy and no stewardship of the land. The GAA provides a platform to demonstrate agribusinesses' real value – how crops like sustainably produced palm oil can feed future generations, end rural poverty and fuel a low-carbon economy." ~ Franky Widjaja, Chairman and Chief Executive Officer of Golden Agri Resources

#### Greenyield Berhad:

"We recognise that collective action among key players in the global agri-business sector is required in order to achieve the Sustainability Development Goals (SDGs) formulated by the United Nations. The formation of the Global Agri-business Alliance (GAA) is therefore timely and critical in this regard and our company is honoured to be a member of this alliance. This membership fortifies our total commitment to achieving the SDGs and undertaking to work within the framework of the alliance to enhance our work in the field of sustainability." ~ Tham Foo Keong, Group Managing Director of Greenyield

# **Groupe Mimran:**

"The GAA is a great initiative and the Mimran Groupe has always been strongly involved in environmental, social and sustainable issues, with a long history of acting responsibly in Africa, and is delighted to be part of this alliance." ~ David Mimran, Chief Executive Officer of Groupe Mimran

#### **Hakan Agro DMCC:**

"Around the world, I have seen the impact of linking farmers to markets and delivering good quality food. Hakan Agro is pleased to join the global effort to achieve the Sustainable Development Goals and we are already finding new ways to integrate value in the food chain to achieve better nutrition." ~ Hakan Bahceci, Chief Executive Officer of Hakan Foods

# **Halcyon Agri Corporation:**

"As a global natural rubber supply chain manager, our business touches the lives of millions of people in rural communities around the world. With sustainability and responsibility amongst Halcyon Agri's core values, we wholeheartedly support the Global Agri-business Alliance in bringing together the world's leading agriculture-related businesses to achieve the UN Sustainable Development Goals" ~ Robert Meyer, Executive Chairman and Chief Executive Officer of Halcyon Agri



#### IFFCO:

"IFFCO Group, with our vision as "the preferred provider of essential and value added foods for everyone, everywhere and every day", by joining the Global Agri-business Alliance shall support all measures towards achieving SDG2 of "Zero Hunger" by adopting new and sustainable technologies and business models to contribute towards the global goal to end hunger." ~ Shiraz Allana, Member of the Supervisory Board of IFFCO Group

# Indian Oilseeds and Produce Export Promotion Council (IOPEPC):

"We take pride in becoming a founder and core member of GAA which is expected to make significant impact on the emerging critical social, environmental and sustainability issues faced by the entire supply chain. IOPEPC is committed to make the required potential contribution in the efforts of GAA to achieve the delineated goals." ~ Sanjiv Sawla, Chairman of IOPEPC

#### Lewis M. Carter Manufacturing Inc.:

"With the ever increasing world population, steps are needed to care for food and fiber needs." ~ Lewis M. Carter Jr, Chairman of Lewis M. Carter & Co

#### Markham Agro Pte Ltd:

"We believe the GAA will be a good forum to achieve its mission objectives in general and in particular to improve rural livelihoods and eliminate the irony for farmers. This initiative of forming a Global Agribusiness Alliance will be valuable for all agricultural companies with an opportunity to share ideas." ~ Krishnan Muthappan, CEO and Founder of Markham Agro

# Minanga Group:

"Minanga Group is well invested in the agri sector and we understand the opportunities to do good in this sector, as well as the challenges ahead. The GAA is a very good idea to bring together the disparate agri sector and the corporates therein. We see the GAA as an idea whose time has come." ~ Mona Surya, President Director of Minanga Group

#### **Musim Mas Group:**

"Musim Mas welcomes and supports the formation of the Global Agri-business Alliance. The mission of the alliance to meet the complex challenge of sustainable development for the agricultural sector encapsulates the ethos of Musim Mas. The alliance will enhance the role of the sector to pursue a pathway that is socially inclusive and environmentally sustainable, contributing to economic growth. The alliance with its goals and targets that are aligned with the Sustainable Development Goals will also be able to contribute to the global sustainable development agenda." ~ Bachtiar Karim, Executive Chairman of Musim Mas Group

#### Olam International:

"I believe that consistent with Olam's Core Purpose of Growing Responsibly, we should make sure that values and value creation are not traded off in the long-term. I am therefore excited about the formation of the Global Agri-business Alliance because as an industry, we need to be both brave and restless to make a real difference to the major developmental challenges that face our sector, including food security, water security, impact of climate change, protecting natural capital, sustainable agriculture and inclusive growth by harnessing our collective strengths." ~ Sunny Verghese, Co-Founder and Chief Executive Officer of Olam



#### PureCircle Ltd:

"By harnessing our diverse knowledge and experience, with the common vision of achieving the UN SDGs, the GAA is a platform for members to work together individually, as a group or with policy makers and multilateral agencies to bring about the necessary changes to overcome the major challenges facing the agricultural supply chains and rural communities." ~ Magomet Malsagov, Chief Executive Officer of PureCircle

# Reliable Cashew Company Pvt. Ltd.:

"By working together through the GAA all members can create a framework of strategies and practices to achieve the SDGs envisaged by the UN. Being in the agricultural sector, we would particularly strive to help conserve soil nutrition as well as focus on increasing green cover which in turn will improve rainfall, replenish water resources and rejuvenate the ecosystem" ~ Gowthaman Ramanathan, Managing Director of Reliable Cashew

#### SABIC:

"Land is scarce and food is in short supply. That's why we are proud to be part of the GAA. SABIC develops agri-nutrients designed to produce the optimal harvest in every type of soil. More yield from less field. At SABIC, that's what we call 'Chemistry that Matters." ~ Yousef Abdullah Al-Benyan, Chief Executive Officer of SABIC

#### Sime Darby Group:

"In 35 years we will need to feed 9.7 billion people. How will we do this while attempting to contain and reverse the impacts of climate change? Our greatest challenge is to balance food and water demands while ensuring environmental sustainability and social equity. The GAA is a platform for these discussions and hopefully to find solutions. As the world's largest producer of certified sustainable palm oil, Sime Darby is proud to be part of this collaboration." ~ Tan Sri Dato' Seri Mohd Bakke Salleh, President and Group Chief Executive of Sime Darby

# Triputra Agro Persada:

"The Triputra Group welcomes the launch of Global Agri-business Alliance and is proud to be associated with it. With our long-term commitment to the agri sector we fully appreciate the challenges associated with it and also the opportunities to impact livelihoods for different sections of society. The GAA is an excellent idea for our industry to come together and formulate next steps towards helping the world achieve the Sustainable Development Goals and it also resonates well with the core values at Triputra Group." ~ Arif P. Rachmat, Chief Executive Officer of Triputra Agro Persada

#### **Univanich Palm Oil PCL:**

"Within my lifetime global population has grown by 4.5 billion people. Population pressure on food and water supplies is contributing to unsustainable environmental degradation and increasing volatile migration movements. I am confident that it is possible for the world's farmers to feed another billion people by 2030. But if we are to achieve this within the UN's sustainability guidelines we will need a concerted alliance to pool our resources and agree new priorities." ~ John Clendon, Managing Director and Chief Executive Officer of Univanich



#### Von Bundit Co. Ltd.:

"We are all environmental-friendly manufacturers, who wish to produce, export, and promote the use of natural products to the world. By coming together under the Global Agri-business Alliance, all of us strongly commit to operate our business based on responsibility to society, stakeholders, customers, business partners, community and the environment." ~ Bundit Kerdvongbundit, Chief Executive Officer of Von Bundit

#### Willowton Group:

"Willowton Group is proud to be a member of the Global Agri-business Alliance (GAA) and focus our energies towards tackling sustainability, environmental and social challenges. We are looking to spearhead industry change and proactively tackle these real world issues that materialise further every day. Willowton Group is proactive in ensuring sustainability in procurement and manufacturing, whilst working towards a greener and sustainable future." ~ Zubeir Moosa, Chief Executive Officer of Willowton Group

# Wilmar International Limited:

"As a leading agribusiness group, Wilmar is cognisant of its responsibility towards sustainable development. The GAA's mission is in line with our ongoing efforts in implementing our "No Deforestation, No Peat and No Exploitation" policy and we see synergies arising from collaborations with like-minded partners in the GAA. A coordinated and collective effort at the sector level will make a greater stride towards achieving the SDGs." ~ Kuok Khoon Hong, Chairman and Chief Executive Officer of Wilmar International



# III) Key facts from the <u>UN Sustainable Development Goals: SDG2</u>

# Hunger

- Globally, one in nine people in the world today (795 million) are undernourished
- The vast majority of the world's hungry people live in developing countries, where 12.9 per cent of the population is undernourished.
- Asia is the continent with the most hungry people two thirds of the total. The percentage in southern Asia has fallen in recent years but in western Asia it has increased slightly.
- Southern Asia faces the greatest hunger burden, with about 281 million undernourished people.
   In sub-Saharan Africa, projections for the 2014-2016 period indicate a rate of undernourishment of almost 23 per cent.
- Poor nutrition causes nearly half (45 per cent) of deaths in children under five 3.1 million children each year.
- One in four of the world's children suffer stunted growth. In developing countries the proportion can rise to one in three.
- 66 million primary school-age children attend classes hungry across the developing world, with 23 million in Africa alone.

# **Food security**

- Agriculture is the single largest employer in the world, providing livelihoods for 40 per cent of today's global population. It is the largest source of income and jobs for poor rural households.
- 500 million small farms worldwide, most still rainfed, provide up to 80 per cent of food
  consumed in a large part of the developing world. Investing in smallholder women and men is
  an important way to increase food security and nutrition for the poorest, as well as food
  production for local and global markets.
- Since the 1900s, some 75 per cent of crop diversity has been lost from farmers' fields. Better
  use of agricultural biodiversity can contribute to more nutritious diets, enhanced livelihoods for
  farming communities and more resilient and sustainable farming systems.
- If women farmers had the same access to resources as men, the number of hungry in the world could be reduced by up to 150 million.
- 1.4 billion people have no access to electricity worldwide most of whom live in rural areas of
  the developing world. Energy poverty in many regions is a fundamental barrier to reducing
  hunger and ensuring that the world can produce enough food to meet future demand.