



News Release

Olam shares tech with Wildlife Conservation Society's landscape partnership to tackle deforestation

Collaboration will improve coffee farmer productivity and livelihoods while reducing pressure on the Bukit Barisan Selatan National Park, Indonesia

London, 26th September 2019 – Over 20,000 smallholder coffee farmers in southern Sumatra will benefit from a unique collaboration whereby global food and agri-business Olam International will grant use of its platform, the Olam Farmer Information System (OFIS), to the Wildlife Conservation Society (WCS) to tackle forest encroachment in the Bukit Barisan Selatan (BBSNP) landscape in southern Sumatra.

Indonesia is one of the world's largest producers of coffee, with the majority grown by smallholder farmers in remote areas. The farmers face common challenges such as ageing trees, a lack of access to inputs, training and finance, and therefore typically have low yields. Their remoteness, and the length and complexity of the supply chain also makes traceability difficult. The Bukit Barisan Selatan National Park (3,140 km²) in southern Sumatra is within one of Indonesia's main coffee producing regions, and is one of the last strongholds of the Sumatran elephant and tiger, as well as being a significant carbon sink. However, the Park is under threat, with at least 10% of the park area having been converted into coffee farms.

In 2018, to reverse this trend, WCS convened the Bukit Barisan Selatan Sustainable Commodities Partnership (BBS KEKAL). This pioneering multi-stakeholder Partnership is based on a principle of 'collective responsibility', in which companies work together and in close collaboration with local and national government, farmers, and civil society to find new ways to protect the Bukit Barisan forest while also improving livelihoods. The Partnership is supporting farmers operating in the 'first mile' of the park buffer zone to transition to deforestation-free coffee production, alongside National Park conservation and restoration efforts. This enables companies to actively address deforestation and protect biodiversity while supporting farmers and the sustainable development of the coffee sector.

Olam initiated engagement to minimise the risk of coffee from deforested areas in the park finding its way into its supply chain, in recognition that only by acting in collaboration with stakeholders across the landscape and by actively supporting farmers around forest areas can a lasting, economically viable solution to this challenge be found.

A critical step towards the success of the Partnership is the ability to map farms, understand farmer needs and track volumes and origins of coffee entering supply chains from around the National Park. Olam developed the Olam Farmer Information System (OFIS) in 2014, with a GPS mapping system, so that smallholder supply chains could be geo-spatially identified and productivity support be more tailored to individual farmer needs. To date 370,000 farmers across multiple crops in Olam's supply chains have been registered.

Through this collaboration, the BBS KEKAL project teams, led by WCS, will use OFIS to survey participating farms on the forest frontier, recording and monitoring data on farm boundaries, coffee yields and productivity, the number and age of coffee trees; economic, social and health infrastructure; and the surrounding eco-system. This will allow the Partnership to deliver tailored training and incentives to farmers for the production of legal and deforestation-free coffee. At the same time, this will enable participating companies to reduce their risks of sourcing from the National Park, while supporting solutions in priority areas.

Financing for Olam's participation in the Partnership has been provided by technical assistance from the Asian Development Bank (ADB), including a grant from the Canadian Climate Fund for the Private Sector in Asia. ADB's technical assistance will enable OFIS registration and capacity building training to smallholder coffee farmers in Indonesia, as well as Timor-Leste, Papua New Guinea, and Vietnam. The technical assistance complements ADB's \$88 million loan to Olam International in March 2018.

Commenting in New York during UN Climate Week, President and CEO, Wildlife Conservation Society, Cristián Samper, said: "Halting the loss of the world's forests is increasingly urgent. BBS KEKAL demonstrates how companies must work together and in collaboration with government and NGOs to find new solutions to address deforestation. Only with collective action and by supporting farmers in vulnerable areas can we secure the future of this vital landscape. Olam's involvement in this partnership is catalytic in moving from commitments to action".

Co-Founder and Group CEO, of Olam, Sunny Verghese added: "Sharing our digital capability with WCS is one of the ways we are trying to re-imagine global agriculture and food systems for the better. This collaboration exemplifies how NGOs and corporates can work together to multiply positive impacts for farmers and our planet, while at the same time lowering the associated costs and risks for each party. More importantly it accelerates efforts to create a living landscape where deforestation is halted, land is regenerated and farmers can prosper."

About Wildlife Conservation Society

The Wildlife Conservation Society (WCS) is a US non-profit, tax-exempt, private organization established in 1895 that saves wildlife and wild places worldwide through science, conservation action, education, and inspiring people to value nature. WCS currently works in more than 60 countries worldwide and has experience helping to establish over 150 protected areas across the globe. WCS has been working to protect biodiversity in Indonesia since 1965 and has had a permanent office in the country since 1995, operating under an MoU with the Ministry of Environment and Forestry.

About BBS KEKAL

The Bukit Barisan Selatan Sustainable Commodities Partnership (Kemitraan Komoditas Lestari) ('BBS KEKAL') is an innovative landscape partnership, led by WCS, between local and national government, companies, communities and civil society to protect the forests of Bukit Barisan Selatan National Park (BBSNP) and support improved farmer livelihoods across the landscape in southern Sumatra.

BBS KEKAL is supported by IUCN, KfW on behalf of the Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU), Partnerships for Forests, Jacobs Douwe Egberts, Nestlé, Trillion Trees, Sumatran Tiger Project GEF-UNDP, and the UK Department for International Development (DFID).

Read more about BBS KEKAL [here](#), and about the Collective Statement of Intent, signed by 16 organisations in April 2018: World's Leading Coffee Companies Commit to Tackle Deforestation in Indonesia: Association of Coffee Suppliers Lampung (Asosiasi Suplier Kopi Lampung; ASKL), Berindo Jaya (Neumann Kaffee Gruppe), Bukit Barisan Selatan National Park Authority, Enveritas, Hanns R. Neumann Stiftung, PT Indo Cafco (ECOM), Jacobs Douwe Egberts B.V., Karya Bakti Ulubelu Farmer Group, Lampung Barat District Plantation Office, Louis Dreyfus Company, PT Mayora Indah, Nestlé S.A., Olam International, Sucden Coffee B.V., Yayasan Inisiatif Dagang Hijau (IDH), and Wildlife Conservation Society

About Olam International Limited

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 19,800 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 4.8 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

More information on Olam can be found at www.olamgroup.com.

Olam is located at 7 Straits View, Marina One East Tower #20-01, Singapore 018936.
Telephone: +65 63394100, Facsimile: +65 63399755.

Issued on behalf of Olam International Limited by:

WATATAWA Consulting, 77 Robinson Road, Robinson 77 #33-00, Singapore 068896

For further information, please contact:

Contacts for Corporate Communications

Nikki Barber
Group Head of Public Relations
+44 7568108555
Nikki.barber@olamnet.com

Contacts for WATATAWA Consulting

Josephine Chew
Managing Director
+65 90610353
jchew@we-watatawa.com