Sustainable Agriculture Initiative Platform

ANNUAL REPORT 2007
Looking back at the last year and our achievements that we made with the continuous support of our Member companies, I can proudly say that 2007 has been a good year! The success of our first conference on Sustainable Agriculture, organised with the CIAA last November in Brussels, is very rewarding, not only because it brought together numerous participants from the food industry, Universities, Research Organisations and NGOs but also because it confirmed that our vision, making SAI Platform a Centre of Reference on Sustainable Agriculture for food manufacturers, traders and food service companies is becoming reality. The conference was just one of our activities to promote Sustainable Agriculture, another one was the creation of the SAI Platform film. In a world that wants fast information and where images have become the most effective way to spread information, we created a high quality film about the field related activities of the member companies. You can watch it on our home-page.

But media or events are not enough to achieve our objective helping the food industry, being the biggest agriculturalist Reinhold Stover founded the company in 1967, in Altdorf, Lower Saxony – German to produce high-quality potatoes of own cultivation combined with top-modern processing techniques. In four decades Agrifrost gained a leading position in the German market becoming also supplier of the restaurant chain McDonald’s.

Agrifrost has developed a unique integrated potato cultivation system that reliably excludes any harmful external influences, which is carried out by 410 authorised farmers on more than 7,000 hectares of German arable land. From seed growing to planting, cultivation, harvest, storage of the potatoes and the making of the final brand products the whole production process is completely under the company’s control. For its commitment in environment protection thoroughly integrated into the whole production chain, in 2003 Agrifrost achieved the DIN EN ISO 4001 certicate.

In a history extending for more than 160 years, Elders has built a strong market positions as Australia’s leading rural services provider. Through a network of over 280 branches, Elders provides Australian 110,000 farmers with integrated services in the following product areas:

- Australia’s largest livestock agent and a major supplier of meat to domestic and international customers
- global leader in wool – being the world’s largest broker of greasy wool and one of the world’s largest early stage wool processors
- growing grain accumulation business for domestic and international customers
- one of the two largest suppliers of farm merchandize to the Australian farm sector
- financial services with Elders rural Bank and Elders Insurance
- property, real estate services

A growing share of Elders’ income is generated through the marketing of Australian agricultural produce to international customers. Elders is involved agricultural trade of $1 billion to markets in Asia, Europe and North America.

Why the SAI Platform?

Why should the food industry get involved in sustainable agriculture, one might ask. A superficial reply would be: for corporate social responsibility – supporting sustainable agriculture for a sustainable food supply.

Looking back at the last year and our achievements that we made with the continuous support of our Member companies, I can proudly say that 2007 has been a good year! The success of our first conference on Sustainable Agriculture, organised with the CIAA last November in Brussels, is very rewarding, not only because it brought together numerous participants from the food industry, Universities, Research Organisations and NGOs but also because it confirmed that our vision, making SAI Platform a Centre of Reference on Sustainable Agriculture for food manufacturers, traders and food service companies is becoming reality. The conference was just one of our activities to promote Sustainable Agriculture, another one was the creation of the SAI Platform film. In a world that wants fast information and where images have become the most effective way to spread information, we created a high quality film about the field related activities of the member companies. You can watch it on our home-page.

But media or events are not enough to achieve our objective helping the food industry, being the biggest agriculturalist Reinhold Stover founded the company in 1967, in Altdorf, Lower Saxony – German to produce high-quality potatoes of own cultivation combined with top-modern processing techniques. In four decades Agrifrost gained a leading position in the German market becoming also supplier of the restaurant chain McDonald’s.

Agrifrost has developed a unique integrated potato cultivation system that reliably excludes any harmful external influences, which is carried out by 410 authorised farmers on more than 7,000 hectares of German arable land. From seed growing to planting, cultivation, harvest, storage of the potatoes and the making of the final brand products the whole production process is completely under the company’s control. For its commitment in environment protection thoroughly integrated into the whole production chain, in 2003 Agrifrost achieved the DIN EN ISO 4001 certicate.

In a history extending for more than 160 years, Elders has built a strong market positions as Australia’s leading rural services provider. Through a network of over 280 branches, Elders provides Australian 110,000 farmers with integrated services in the following product areas:

- Australia’s largest livestock agent and a major supplier of meat to domestic and international customers
- global leader in wool – being the world’s largest broker of greasy wool and one of the world’s largest early stage wool processors
- growing grain accumulation business for domestic and international customers
- one of the two largest suppliers of farm merchandize to the Australian farm sector
- financial services with Elders rural Bank and Elders Insurance
- property, real estate services

A growing share of Elders’ income is generated through the marketing of Australian agricultural produce to international customers. Elders is involved agricultural trade of $1 billion to markets in Asia, Europe and North America.

Why the SAI Platform?

Why should the food industry get involved in sustainable agriculture, one might ask. A superficial reply would be: for corporate social responsibility – supporting sustainable agriculture for a sustainable food supply.
Working Groups and their activities are the backbone of the SAI Platform

Coffee

For the Working Group Coffee, the year 2007 constituted a turning point, whereby progress towards sustainable coffee production worldwide was generally confirmed - and new challenges were identified. Progress towards sustainable coffee was testified through a series of activities and events. After five to four years of existence and thorough monitoring of progress, four pilot projects came to an end - providing valuable data for the measurement of the costs and benefits of adopting sustainable practices. In the meantime, eight pilot projects were continued and newly launched.

At the workshop in Uganda and in follow-up Working Group meetings a number of challenges were identified, including: maintaining the same level of cooperation between roasters and traders on the issue of sustainability in spite of its increasing competitive side; further promoting sustainable coffee production from a “project approach” to real roll-out activities. Active members of the Working Group are: Ecom, Elizos, Kraft, McDonald’s, Neumann, Nesfe, Sara Lee, Tobico, Vitsol.

In mid 2006 the Working Group Dairy finalized Principles and Practices for Sustainable Dairy Production, including comments received from experts of the International Dairy Federation (IDF).

In 2007, discussions and activities evolved towards the issue of Climate Change / Green House Gas (GHG) emissions. Members were provided with a series of presentations from industry and third party experts on the main causes of GHG emissions from dairy production at farm level. The group is now developing a common tool to measure GHG emissions from dairy production at farm level.

Active members of the Working Group are: Campina, Fonterra, Friesland Foods, Groupe Danone, The International Dairy Federation (IDF), Kraft, Nestlé and Unilever.

The global freshwater reserve is under pressure, and agriculture is responsible for 70% of freshwater withdrawn worldwide. Therefore it is needed to find solutions for improving water management at the farm level. To explore and promote these, a Working Group on Water & Agriculture was launched in December 2007. The goal of the WG is to develop guidelines and practical tools for the sustainable management of water at farm level. As a start the group has built a web-based repository of most relevant best practices collected from members’ own and external sources – with a link to additional documents relating to each specific issue (e.g. irrigation, water treatment etc.

Member companies participating in the WG are: Fonterra, Groupe Danone, LambWeston Meijer, McDonald’s, Nestlé, The Coca-Cola Company and Unilever.

Potatoes and Vegetables

In 2007, the Fruit Working Group has launched two Pilot Projects: one led by Coca-Cola with Citrovita in Brazil, focusing on variety diversification, social projects and integrated pest management. The other one by Danisco on sustainable Vanilla production.

The Working Group has also developed cooperation with two external groups: the first one is SIF (Sure Global Fair) – an industrial association safeguarding the compliance with legal and industrial quality and safety standards for all fruit containing beverages. SIF included SOI of the Principles and Practices of the Fruit WG in their Code of Conduct; the second one is AIGN (Associated International Group of Nutrition) – which works in order to promote the sustainability of fruit juice production.

Active members of the group are Coca-Cola Company, Danisco, Danisco, Friesland Foods and Nestlé.

New Working Group: Water & Agriculture

The Working Group Dairy finalized Principles and Practices for Sustainable Dairy Production, including comments received from experts of the International Dairy Federation (IDF).

In 2007, discussions and activities evolved towards the issue of Climate Change / Green House Gas (GHG) emissions. Members were provided with a series of presentations from industry and third party experts on the main causes of GHG emissions in the dairy sector. In measure and to mitigate them, the group is now developing a common tool to measure GHG emissions from dairy production at farm level.

Active members of the Working Group are: Campina, Fonterra, Friesland Foods, Groupe Danone, The International Dairy Federation (IDF), Kraft, Nestlé and Unilever.

The global freshwater reserve is under pressure, and agriculture is responsible for 70% of freshwater withdrawn worldwide. Therefore it is needed to find solutions for improving water management at the farm level. To explore and promote these, a Working Group on Water & Agriculture was launched in December 2007. The goal of the WG is to develop guidelines and practical tools for the sustainable management of water at farm level. As a start the group has built a web-based repository of most relevant best practices collected from members’ own and external sources – with a link to additional documents relating to each specific issue (e.g. irrigation, water treatment etc.

Member companies participating in the WG are: Fonterra, Groupe Danone, LambWeston Meijer, McDonald’s, Nestlé, The Coca-Cola Company and Unilever.

For the Working Group Coffee, the year 2007 constituted a turning point, whereby progress towards sustainable coffee production worldwide was generally confirmed - and new challenges were identified. Progress towards sustainable coffee was testified through a series of activities and events. After five to four years of existence and thorough monitoring of progress, four pilot projects came to an end - providing valuable data for the measurement of the costs and benefits of adopting sustainable practices. In the meantime, eight pilot projects were continued and newly launched.

At the workshop in Uganda and in follow-up Working Group meetings a number of challenges were identified, including: maintaining the same level of cooperation between roasters and traders on the issue of sustainability in spite of its increasing competitive side; further promoting sustainable coffee production from a “project approach” to real roll-out activities. Active members of the Working Group are: Ecom, Elizos, Kraft, McDonald’s, Neumann, Nesfe, Sara Lee, Tobico, Vitsol.

In 2007, the Fruit Working Group has launched two Pilot Projects: one led by Coca-Cola with Citrovita in Brazil, focusing on variety diversification, social projects and integrated pest management. The other one by Danisco on sustainable Vanilla production.

The Working Group has also developed cooperation with two external groups: the first one is SIF (Sure Global Fair) – an industrial association safeguarding the compliance with legal and industrial quality and safety standards for all fruit containing beverages. SIF included SOI of the Principles and Practices of the Fruit WG in their Code of Conduct; the second one is AIGN (Associated International Group of Nutrition) – which works in order to promote the sustainability of fruit juice production.

Active members of the group are Coca-Cola Company, Danisco, Danisco, Friesland Foods and Nestlé.

Drawing from work done by the Working Group Cereals as well as from protocols for the sustainable production of vegetables developed by Unilever and Findus, Principles & Practices were developed for the sustainable production of Potatoes and Vegetables.

Pilot projects were thus conducted in 2006 and 2007 to test these at the farm level on tomato production in Italy and potato production in the UK. Others shall be launched in 2008 on different crops in other European countries.

Following feedback from growers and stakeholders and changes in the agricultural scene in recent years, the P&P’s will be reviewed after the next crop.

Active members participating to the Working Group are: Agroparrot, COIS, Farmnovia, Kraft, LambWeston-Meijer, McCain and McDonald’s.

In 2007, the Fruit Working Group has launched two Pilot Projects: one led by Coca-Cola with Citrovita in Brazil, focusing on variety diversification, social projects and integrated pest management. The other one by Danisco on sustainable Vanilla production.

The Working Group has also developed cooperation with two external groups: the first one is SIF (Sure Global Fair) – an industrial association safeguarding the compliance with legal and industrial quality and safety standards for all fruit containing beverages. SIF included SOI of the Principles and Practices of the Fruit WG in their Code of Conduct; the second one is AIGN (Associated International Group of Nutrition) – which works in order to promote the sustainability of fruit juice production.

Active members of the group are Coca-Cola Company, Danisco, Danisco, Friesland Foods and Nestlé.

Drawing from work done by the Working Group Cereals as well as from protocols for the sustainable production of vegetables developed by Unilever and Findus, Principles & Practices were developed for the sustainable production of Potatoes and Vegetables.

Pilot projects were thus conducted in 2006 and 2007 to test these at the farm level on tomato production in Italy and potato production in the UK. Others shall be launched in 2008 on different crops in other European countries.

Following feedback from growers and stakeholders and changes in the agricultural scene in recent years, the P&P’s will be reviewed after the next crop.

Active members participating to the Working Group are: Agroparrot, COIS, Farmnovia, Kraft, LambWeston-Meijer, McCain and McDonald’s.

In 2007, the Fruit Working Group has launched two Pilot Projects: one led by Coca-Cola with Citrovita in Brazil, focusing on variety diversification, social projects and integrated pest management. The other one by Danisco on sustainable Vanilla production.

The Working Group has also developed cooperation with two external groups: the first one is SIF (Sure Global Fair) – an industrial association safeguarding the compliance with legal and industrial quality and safety standards for all fruit containing beverages. SIF included SOI of the Principles and Practices of the Fruit WG in their Code of Conduct; the second one is AIGN (Associated International Group of Nutrition) – which works in order to promote the sustainability of fruit juice production.

Active members of the group are Coca-Cola Company, Danisco, Danisco, Friesland Foods and Nestlé.

Drawing from work done by the Working Group Cereals as well as from protocols for the sustainable production of vegetables developed by Unilever and Findus, Principles & Practices were developed for the sustainable production of Potatoes and Vegetables.

Pilot projects were thus conducted in 2006 and 2007 to test these at the farm level on tomato production in Italy and potato production in the UK. Others shall be launched in 2008 on different crops in other European countries.

Following feedback from growers and stakeholders and changes in the agricultural scene in recent years, the P&P’s will be reviewed after the next crop.

Active members participating to the Working Group are: Agroparrot, COIS, Farmnovia, Kraft, LambWeston-Meijer, McCain and McDonald’s.

The global freshwater reserve is under pressure, and agriculture is responsible for 70% of freshwater withdrawn worldwide. Therefore it is needed to find solutions for improving water management at the farm level. To explore and promote these, a Working Group on Water & Agriculture was launched in December 2007. The goal of the WG is to develop guidelines and practical tools for the sustainable management of water at farm level. As a start the group has built a web-based repository of most relevant best practices collected from members’ own and external sources – with a link to additional documents relating to each specific issue (e.g. irrigation, water treatment etc.

Member companies participating in the WG are: Fonterra, Groupe Danone, LambWeston Meijer, McDonald’s, Nestlé, The Coca-Cola Company and Unilever.

In the end of November 2007, Coffee Working Group Member representatives coming from offices worldwide met in Uganda for a week-long workshop. This was the third event of that kind organized by SAI Platform – after Nicaragua in 2004 and El Salvador in 2006. The Uganda event however was unique in many aspects.

First of all, it represented an opportunity to share the results of four years of work towards a sustainable coffee sector, including pilot projects running throughout Africa, Asia and Latin America. Managers from these projects came to Uganda from all over the world to explain how best practices were adopted by coffee producers in various countries, as well as to identify challenges and ways to face these.

Secondly, by combining presentations, thematic working groups and field visits, the workshop allowed the participants to finalize key documents and tools for the implementation of sustainable coffee production: “principles and practices” (guidelines), a “toolbox” with technical tools to farmers, indicators of progress, and recommendations for the “roll-out” of projects.

Proceedings of the workshop and related documents can be found on www.saiplatform.org/our-activities/coffee/workshop3.htm

Workshop in Uganda

SAI Platform members planted seeds in Uganda for sustainable coffee production worldwide
It was at the third meeting of the Working Group Chairmen held in Paris in the end of 2006, that first arose the idea of “mapping out” the programmes and projects of SAI Platform’s members with a focus on sustainable agriculture – in order to allow for easier and better exchanges of information and experience across these. Since then, many companies have expressed their wish to see such a product. SAI Platform thus decided to embark in this activity.

The first mapping document was so published in April 2008 in the form of a printed booklet as well as a searchable webpage. It contains over 50 programmes and projects on sustainable agriculture, from twenty of SAI Platform’s member companies. These are focusing on 24 crops and products in more than 30 countries. All projects are summarized in the document along the same structure:

- project title
- region and/or country
- crop(s)
- issue(s)
- responsible company(ies)
- other group(s) involved
- brief project description
- starting date
- ending date
- overall budget
- contact

Next to the project title appears SAI Platform’s logo when the project has been launched and has been or is managed within one of SAI Platform’s Working Groups.

Last year the SAI Platform proudly witnessed the birth of two local chapters, one in Australia and one in the Philippines. Such “national” or “regional” chapters are considered as essential to further promote sustainable agriculture worldwide through solutions and tools adapted to local situations. Will the existence of these chapters lead to the creation of a Global Platform?

Australian Chapter

The Australian chapter of the SAI Platform officially commenced its activities in October 2007, providing a pioneering extension to the global platform. Under the enthusiastic lead of Selwyn Heilbron, the Chapter is composed by seven members: Elders, Goodman Fielder, Kraft, Ausveg, Nestlé, National Foods, Meat & Livestock Australia.

The Australian Chapter will animate several working groups in its first year of operation, as per the general framework developed by the “Global” SAI Platform: identification of principles and practices for the sustainable production of specific crops, pilot testing and measurement of results through a set of indicators; if these prove positive results, roll-out might be promoted later on under the responsibility of companies.

Australia’s initial five Working Groups have been chosen as follows:

- Livestock and Livestock products
- Grains
- Vegetables
- Climate change
- Water

Particular attention will be given to climate change and how to mitigate its direct effects on agricultural production – which Australia is unfortunately already suffering from with heavy droughts in the South.
Cooperations and partnerships

The SAI Platform in the last years has consolidated existing relationships with other groups or established new ones, always open to finding forms of cooperation with any stakeholders of the food chain that can help promote sustainable agriculture worldwide.

SFL

The Sustainable Food Laboratoiry (SFL) is a network of business, public sector, and civil society leaders from around the globe whose mission is to accelerate the sustainable food trend from niche to mainstream by designing and implementing innovations that make global food systems more economically, environmentally, and socially sustainable. Since 2004 the core group of 32 people from different sectors came together, a few hundred colleagues from more than 80 organizations have joined them in pilot projects and summits. Pilot projects work directly in specific value chains on responsible sourcing from small-holders and better environmental practices. Other initiatives include institutional food procurement practices and fisheries stewardship.

CIAA

The CIAA, Confederation of Food and Drink Industries of the EU, represents the food and drink industry – the first industrial sector, major employer and exporter in the EU, and the EU, 82% of current total milk production worldwide. The mission of IDF is to represent the dairy sector worldwide by providing the best global source of scientific expertise and knowledge in support of the development and promotion of quality milk and dairy products to deliver consumers with nutrition, health and well-being. IDF is the centre for dairy expertise, developing scientific knowledge, exchanging information, addressing global developments and facilitating networking within and outside the sector.

EISA

The European Initiative for Sustainable Development in Agriculture (EISA) was founded in May 2001 as an alliance of seven European national organisations for the promotion of Integrated Farming. EISA’s members are strongly committed to sustainable agriculture, which is economically viable, environmentally responsible and socially acceptable and seek its achievement through the promotion and further development of Integrated Farming. A Common Codex, outlining the foundations of Integrated Farming, has been adopted by EISA and its members organisations. It defines general principles and procedures of Integrated Farming at the individual farm level and considers aspects of food production, economic viability, producer and consumer safety, social responsibility and conservation of the environment in a balanced manner.

GLOBALGAP

GLOBALGAP (formerly known as EUREPGAP) has established itself as a key reference for Good Agricultural Practices (G.A.P.) in the global marketplace, by translating consumer requirements into more than 80 on every continent. GLOBALGAP is a private sector body that sets voluntary standards for the certification of agricultural products around the globe. The aim is to establish one standard for Good Agricultural Practice (G.A.P.) with different product applications capable of fitting to the whole of global agriculture.

IDF

The international Dairy Federation (IDF) is the pre-eminent source of scientific and technical expertise for all stakeholders of the dairy chain. Membership covers 53 countries and is growing. IDF accounts for about 82% of current total milk production worldwide. The mission of IDF is to represent the dairy sector worldwide by providing the best global source of scientific expertise and knowledge in support of the development and promotion of quality milk and dairy products to deliver consumers with nutrition, health and well-being. IDF is the centre for dairy expertise, developing scientific knowledge, exchanging information, addressing global developments and facilitating networking within and outside the sector.

RSPO

Started in 2001 from a WWF initiative as an informal co-operation among companies and stakeholders, it soon developed into what today is the “Roundtable on Sustainable Palm Oil (RSPO)”, an association created by organizations carrying out their activities in and around the entire supply chain for palm oil. The Mission of the RSPO is to advance the production, procurement and use of sustainable palm oil products through the development, implementation and verification of credible global standards and, the engagement of stakeholders along the supply chain.

4C

Starting from a project conducted as a public-private partnership in 2002, the Common Code for the Coffee Community Association (4C) was founded in 2006 by 37 actors, representing producers, trade and industry and civil society worldwide, as an open and inclusive membership Association. The mission of 4C is the efficient production and processing of coffee, combined with respect for the social and environmental conditions of its production, as basis for improving the situation of coffee growers and workers worldwide and contact details of the SAI Platform.

Financials

The accounting records and the financial statements (balance sheets and income statement) for the year ended December 31st 2007 of the Sustainable Agriculture Initiative have been audited in accordance with the Swiss auditing standards by the statutory auditors DAO Financial Experts Sàrl, Geneva.

ASSETS

- CURRENT ASSETS € 299,561,56
- FIXED ASSETS € 822,56,3
- TOTAL ASSETS € 307,787,19

LIABILITIES AND FORTUNE

- CURRENT LIABILITIES € 103,382,29
- FORTUNE € 204,404,91
- TOTAL LIABILITIES AND FORTUNE € 307,787,19

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2007

- TOTAL INCOME € 387,709,74
- TOTAL EXPENSES € 326,018,93
- PROFIT FOR THE YEAR 2007 € 60,980,81
Time has become nowadays very precious, and the need for fast and effective information is growing tremendously. Images have become the best and easiest device to spread information worldwide. This is why we came out with the idea of creating a short film that shows what SAI Platform is doing and what its Members are involved in.

The SAI Platform in cooperation with CIAA, the Confederation of the Food and Drink Industries of the EU, organised a 2 days conference on Sustainable Agriculture in Brussels in November 2007. Several topics related to sustainable agriculture were raised along two major discussion themes:

- Industry and Farmer engagement in Sustainable Agriculture
- How to attract consumer interest for sustainable agriculture, measurement and metrics.

These attracted numerous stakeholders who were offered the possibility to have an in depth view of its various aspects. Farmers shared their rewarding experiences telling their success stories. Food industries showed their commitment and effort in expanding sustainability in the whole food chain.

Representatives of academia and NGOs demonstrated through their interventions that their expectations and perspectives on sustainable agriculture are not different from SAI Platform’s. A round table debate and three breakout discussion groups animated the conference, discussing from European policy to how to attract consumer interest for sustainable agriculture and what informations consumers need to choose between products.

The success of the event encouraged SAI Platform to hold other similar events in the future. It is now envisaged to organise a conference in the US in spring 2009, in cooperation with key Northern-American partners.

The film explains the work of the Platform and its several Working Groups in a very visual and pedagogical manner. It also represents a powerful promotion tool each Member company has the possibility to customise the film with a personal introduction and/or specific images related to its own work on sustainable agriculture worldwide.

Enjoy the view!

You want to watch the film?
Request a free DVD from the Secretariat
Watch it on our website
Watch it on You Tube

SAI Platform film
Members of the SAI Platform

Office General Coordinates & Postal Address
43 avenue des Arts,
1040 Brussels, Belgium
Tel: +32 (0)2 500 87 57

Legal Address
P/A CR Gestion & Fiduciaire SA,
Route des Jeunes 9,
1227 Carouge-Geneva, Switzerland

www.saiplatform.org