



**Asia-Pacific
Economic Cooperation**

2013/SOM3/PPFS/015

Agenda Item: 5

Connecting Small Holders to the Market and Improving Productivity and Income of Small Holders

Purpose: Information
Submitted by: United States



**Second Policy Partnership on Food
Security Meeting
Medan, Indonesia
22-25 June 2013**



APEC Farmer Day:

Connecting Smallholders to Enhanced Global Markets

Jon Hixson
Medan, Indonesia
22 June 2013



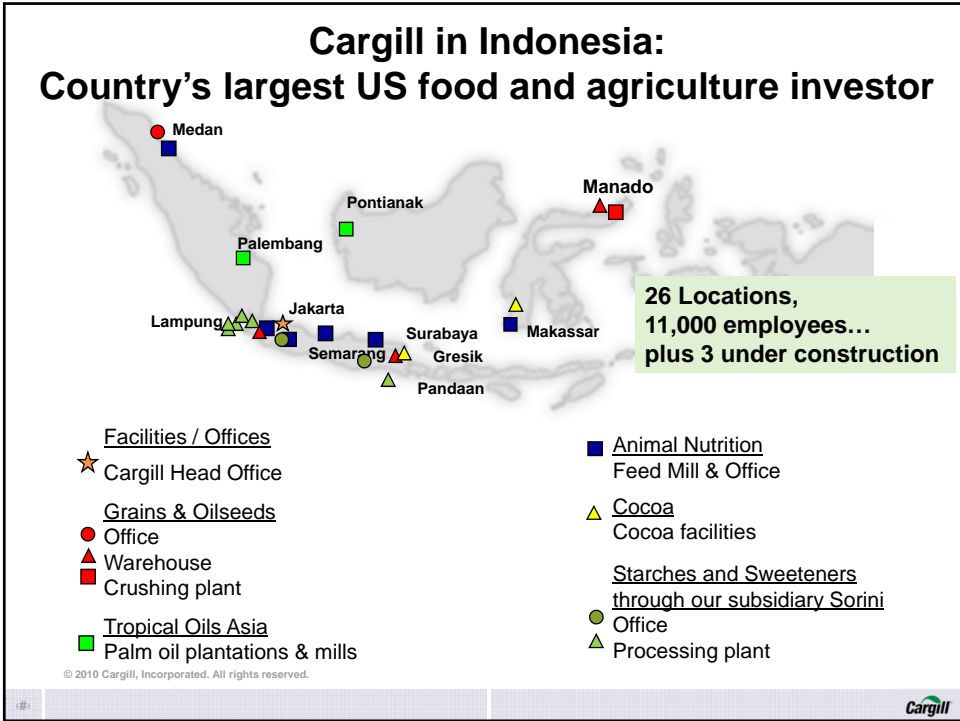
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“We are proud to be a part of Hindoli, and our partnership with Cargill has enabled us to successfully produce sustainable palm oil that helps improve our standard of living. We have learnt how to care for our land and maintain its long-term productivity, ensuring that our children will continue to be provided for.”

Bambang Gianto, a Hindoli smallholder





Operating Responsible Supply Chains



Beyond our Operations

Cargill's interest extends beyond our own operations into our supply chains.

A responsible supply chain:



- Respects people and human rights
- Produces safe and wholesome food
- Treats animals humanely
- Promotes better and more responsible agricultural practices
- Reduces environmental impact

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Operating Responsible Supply Chains



Connecting Smallholders to Global Supply Chains

Examples:



- Coconut – Rainforest Alliance
- Cocoa – Utz, Rainforest Alliance, Fairtrade
- Palm – RSPO, ISCC, ISPO

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Coconut Smallholders in the Philippines

- New project in 2012
- Multiple partners including GIZ and BASF
- End goal is Rainforest Alliance Certification



Cargill

Cocoa Smallholders

- Working in multiple geographies: Indonesia, West Africa, Vietnam
- Multiple third party certification programs:
 - Utz, Rainforest Alliance, Fairtrade
- Key partners include IDH, Solidaridad, SwissContact



Cargill

Oil Palm Smallholders in Indonesia

- Cargill purchased the PT Hindoli plantation in 1995
- Cargill's Hindoli plantation became RSPO certified in February 2009
- 9,000 smallholders at Hindoli became the world's first RSPO certified



Cargill

Producing RSPO certified palm oil in Indonesia

Our Hindoli palm plantation in Sumatra received its RSPO certification in February 2009.

In August 2010, close to 9,000 smallholders at Hindoli became the world's first RSPO certified smallholder scheme.

In June 2011, these smallholders received their first premiums from the sale of RSPO certified sustainable palm oil they produced.

Improving livelihoods of smallholders through sustainable farming practices



Before & After



Original smallholder house



Smallholder house today

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Keys to Successful Smallholder Programs

- ✓ Be part of your overall business strategy – not an after thought or just a “nice thing to do”
- ✓ CR strategy must be in alignment with your business strategy to be sustainable
- ✓ Need senior management buy-in & support
- ✓ Programs fill a critical need in the country or community



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Keys to Successful Smallholder Programs

- ✓ Have dedicated resources for your programs
 - Staff
 - Assigned responsibility, management & accountability
 - Money
 - Resources

- ✓ There must be mutual benefit from the program: Win-Win
 - Recipients and you must benefit

- ✓ There should be communications activities before, during and after programs with key stakeholders



Building our credibility & reputation in the society & surrounding communities

Community Development & Engagement



Supporting community vegetable farms



Food drive for underprivileged



Workshops on female empowerment

Supporting Education



Cargill mobile library in Ketapang, West Kalimantan



Supporting Indonesia's Books for Kids program



Building our credibility & reputation in the society & surrounding communities

Caring for the Environment



Establishing community trash bank in Manis Mata



Improving local infrastructure



Rescuing and rehabilitating captured orang utans

Health & Safety



Clean water project at Desa Sentosa



Fogging against mosquitoes in the community



Free healthcare drives for community



Recognition

- 2011 Best Investor, South Sumatera
- 2011 Platinum CSR Award, Indonesia
- 2011 Bipartite Award Indonesia Ministry of Labour
- 2012 Best Investor, West Kalimantan
- 2012 Best Plantation Business Partner, South Sumatra
- 2012 Platinum CSR Award, Musi Banyuasin



