Nestlé Sustainable Agriculture Platforms in North America

Project for S-Lab

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1. Introduction

Nestlé, and the other food producers, are going to face in the next decades a significant challenge in managing their agricultural supply chain. The demand for food products is increasing rapidly and many existing methods of agricultural production have a detrimental impact on the environment. As a result, there is the potential of a severe penury of food supply in the next decades. Nestlé is looking at how they can contribute to change the agriculture model in order to be more productive and sustainable. The challenges are at the same time local and global. Local because initiatives at the farmer level are going to be the key to achieve sustainable agriculture, but these initiatives have to be part of a global framework where stakeholders work on the same direction or the same definition of sustainable agriculture. These policy issues are going to frame future action of sustainable agriculture of the entire supply chain. Both objectives have to be achievable to have sustainable businesses in the food manufacturing industry.

Nestlé already supports the Sustainable Agricultural Initiative (SAI), a European platform, where different stakeholders share their initiatives on sustainable agriculture. Our mandate is to identify opportunities for Nestlé in North America to contribute to the solution of sustainable agriculture.
2. Overview

2.1. Sustainable Agriculture

The question we must address is what does sustainability mean in the agricultural context? While increasing dependency on non-renewable resources combined with degradation of ecological systems is one of the biggest challenges facing industrial agriculture, viewed through the tri-pod of sustainable development agriculture must also answer economic and societal questions.

![Sustainability Tripod Diagram](image)

**Figure 1. Agriculture and the Sustainability Tripod**

Delving deeper into each of these areas, the one that appears to be the most important in terms of sustainability is the environment, because ultimately if the land is destroyed agriculture cannot occur. The environment category may be further broken in three separate sub-categories; natural resources, biological diversity, animal husbandry (Feenstra et al. 1997). Natural resources, include the basic fundamentals of functional agriculture, water, air and soil and in the case of modern industrial agriculture; energy. These provide the inputs required to produce products,
and typically water availability and soil quality (due to erosions and nutrient stripping) represent the areas of greatest concern to the agricultural community. In the case of biological diversity, the argument is for ecological and ultimately economic resilience. By increasing diversity economic risk is reduce and biologically it can be used to mitigate the effects weeds, pathogens and pests, biological performance may be further enhanced by combing livestock and plant products. This “agroecological” approach as discussed by the Alteri (2000) introduces a systems approach to ecological sustainability, recommending that an integration of diverse agriculture practices and as broad a range of agriculture products as possible will be of most benefit to the land and the farmer.

Returning to the tripod, agriculture remains central to life for many on the margins of society particularly in the developing world, improving rural social and economic conditions, should be considered an important tenant of sustainable agriculture as the ability of farmers to provide a living for themselves and their families, improves the chances of educational access for subsequent generations as well as reducing family sizes and ultimately improving the intergenerational sustainability of family land. Ensuring food quality (so as to improve prices) and safety (to ensure the health of consumers and communities) bridges the societal and economic tenants of sustainable agricultural.

Of the greatest concerns for those examining the long term health of the agriculture industry is in avoiding a Malthusian catastrophe, and ensuring that the food supply will adequately meet the needs of growing populations and their growing aspirations. Achieving higher and higher yields, without causing the ecological damage that we have seen historically
through the over use of chemical and soil erosion remains one of the most significant challenges for the industry to overcome (Brown, 2001). Thus the primary goal for sustainability in agriculture can in many respects be seen as how to meet this growing demand without destroying the ability to continue to meet it in the future.

2.2. **Role of platforms in promoting sustainability**

While there has not been a great deal of academic discussion on the role of specific platforms in improving sustainable agriculture. The idea of creating building networks and “creating visibility” for sustainability has been explored. Lubell & Fulton (2007) examined the role of diffusion networks in sustainable agriculture amongst farming groups in California, determining that the increased levels of communication and trust amongst stakeholders that these groups foster much greater levels of constructive activity, and have a significant impact on the environmental performance of stakeholders across an otherwise invisible system. This theme is expanded further by Carolan (2006) who takes the approach that because the negative impacts (ecological and social) take time to emerge as a result of agriculture practice (i.e. from a systems dynamics perspective “the delay”) and are often externalized, they appear “invisible” to many operators, leading many to ignore the deeper benefits of sustainable practices. Carolan goes on to describe this invisibility as an essentially epistemic failure, with the recommendation that farming systems integrate the knowledge of wider community groups and institutions. Creating these networks, analogous to many of the platforms we discuss in this report, will assist in growing the reputation of sustainability and eventually lead to the adoption of more sustainable agricultural practices.
2.3. Sustainability in North American Agriculture

The huge variability in agriculture across the North American continent, from the wheat fields of the Canadian Prairies, to the small dairy farms in Vermont and coffee groves in Oaxaca, results in a plethora of very different sustainable agriculture initiatives. From the perspective of the platform level we see differing initiatives based on the level of agricultural technology, broadly speaking in areas with less technology initiatives tend to include a greater portion of social focus, than are seen in initiatives attempting to improve the sustainability of more technologically advanced agricultural systems. For example a coffee initiative in Mexico might focus equally on labor rights and improving bean quality (Burnett 1998), while a livestock initiative in Minnesota focuses entirely on environmental and economic results (Endres 2007). Understanding the differences in approach is important when reviewing the initiatives that different platforms choose to involve themselves with, as we will see next with a review of Nestlé’s Sustainable Agricultural Initiative.

2.4. Description of Sustainable Agricultural Initiative

The Long term supply of (high) quality agricultural raw materials is the key ingredients of the sustainable food industry. Because of the increasing demand for the agricultural products, Groupe Danone, Nestlé and Unilever realized the importance of the healthy supply chain in the food industry. Hence, they established a platform called Sustainable Agriculture Initiative (SAI) to maintain the sustainable agriculture and to better cope with three systemic problems of the existing agricultural system: quality and safety problems in the food supply chain, population growth leading to a changing and growing demand and the adverse effects and pressure of agriculture on natural resources and the environment.
SAI Platform was created to actively support the development of and to communicate worldwide about sustainable agriculture involving the different stakeholders of the food chain.

**Vision of SAI Platform**

The SAI Platform’s vision is putting emphasis on sustainable agriculture. SAI asserts that the need of the food industry, the demand for the high quality and healthy agricultural products can be realized through sustainable agriculture. Moreover, the natural resources are rapidly depleted and the climate change threat prevails. The SAI Platform defines sustainable agriculture in a broad perspective. The farming systems should be improved and the farmers should be educated about the efficient agriculture techniques and water usage.

SAI Platform supports sustainable agricultural practices that embody the following principles:

- Provide the base for ensured food safety
- Secure adequate food supplies to meet demand while keeping external input requirements as low as possible.
- Protect and improve the natural environment and resources, by minimizing any adverse effects from agricultural activities on ecology and optimizing the use of renewable resources and caring for animal welfare.
- Support economically viable and responsible farming systems, enabling local communities to protect and improve their livelihood, safeguard their environment and improve their well-being.
Figure 2: SAI in the Nestlé Supply Chain

Figure 2 shows the vision and objective of SAI in the supply chain. The input providers and the farmers are the starting point of the food supply chain. In this respect, if the input providers and the farmers are trained, the whole food supply chain will be more healthy and sustainable. The aim of SAI is to establish the direct link with the farmers and to educate them. Nestlé’s perspective about the current situation is that as long as it continues, the industry will collapse in the next 20 years.

Role of SAI Platform

There are many organizations, universities or research centers over the world engaged in sustainable agriculture, sustainability, food research, food safety and certification of food processes as well as food products. Nevertheless, Groupe Danone, Nestlé and Unilever had another perspective about the supply chain. They thought that the food industry needs a distinct organization: the Sustainable Agriculture Initiative (SAI) Platform.

What differentiates the SAI Platform from other organizations, initiatives or platforms? The answer relies on the action-oriented feature of SAI. SAI defines himself as the only action-oriented initiative of the food industry in the field of sustainable agriculture. The involvement
and commitment of the stakeholders in the food chain as well as the sharing of information are the key essentials. The stakeholders are enabled to share their experiences about different initiatives through the SAI Platform. Finally the platform simultaneously takes into account environmental, economic and social aspects of sustainability (triple bottom line): *planet, profit, and people*.

**Impact of SAI Platform**

The food companies can seek various ways for cost effective pre-competitive cooperation through the SAI Platform. The companies may maintain the sustainable supply of high quality agricultural products as basic ingredients for their products. Recognition and implementation of sustainable practices for main agricultural products are the aims of the platform with respect to the organic agriculture and fair trade. Moreover, SAI aims the society’s welfare through the increase of the customer value and confidence. Since sustainable agriculture is a very broad and dynamic term, SAI notices that SAI does not have all the answers to the problems in the sustainability context. Therefore, dynamism and continuously searching for new ways are crucial for the SAI Platform.

SAI develops a common framework that can provide answers to the basic questions: What does sustainable agriculture mean for the food industry? How can the food industry support the development of sustainable agricultural practices?

**Members**

Groupe Danone, Nestlé and Unilever are the founding members. The other members of SAI are as follows: Agrarfrost, Campina, Consorzio Interregionale Ortofrutucoli, The Coca Cola Company, Danisco, Ecom, Efico, Elders, Farm Frites, Fonterra, Friesland Foods, Kemin, Kraft,
Lam Weston/ Meijer, McCain Europe, McDonald’s, Neumann Kaffee Gruppe, Sara Lee, Tchibo, Volcafe

The working groups

There are 5 working groups focusing on cereals, dairy, vegetables, coffee, and fruits as well as water and agriculture.

2.5. Research Approach:

The mandate of this project is to identify a strategy for Nestlé in North America platforms to support and promote sustainable agriculture. We undertook three steps:

i. Identify sustainable agriculture platforms and initiatives in Canada, US, Mexico. Our first step is to identify and produce a matrix of sustainable agriculture platforms based in NAFTA countries and particularly those focused on the sectors of milk, cacao, and coffee. Other sectors could be included if predominant.

ii. Qualify initiatives. The second part of our research will evaluate the quality of the initiatives and grade them in term of their objectives, members, scope, activities, success, and credibility with stakeholders. The platforms and initiatives will be divided according to their ability to influence farmers.

iii. Identify opportunities for Nestlé. This section will evaluate the opportunity for Nestlé to participate into the platforms and initiatives identified earlier. We will evaluate the risks for Nestlé in participating or not and what influence Nestlé could have. We will look at the cost for participation and what the competition doing. Our objectives are to determine if
Nestlé should participate to one of the existent platform in North America or to open a branch of SAI in North America. The evaluation of platforms and initiative will assess:

- Objectives
- Scope
- Activities and Successes
- Members
- Cost and Participation Requirements
- Publicity and Exposure
3. Platforms

The following platforms were investigated and reviewed as potential platforms for Nestlé in North America.

Centro Internacional de Agricultura Tropical (CIAT) or International Center for Tropical Agriculture

The International Center for Tropical Agriculture (CIAT) is a not-for-profit organization that conducts socially and environmentally progressive research aimed at reducing hunger and poverty and preserving natural resources in developing countries. CIAT is one of the 15 centers funded mainly by the 58 countries, private foundations, and international organizations that make up the Consultative Group on International Agricultural Research (CGIAR). CIAT is headquartered in Columbia and focuses most its efforts in Central and South America, however it has done some work in Mexico.

Objective

CIAT challenges itself to reduce hunger and poverty in the tropics through collaborative research that improves agricultural yields while managing natural resources sustainably.

Scope

As a research lead organization, CIAT is primarily concerned with developing new agricultural techniques and plant strains (germplasm) in order to meet the objectives of the organization. CIAT is also active in the areas of soil fertility, rural agro-enterprise development and land use assessment.

Activities and Successes

CIAT activities of potential interest to Nestlé include; the work done in conjunction with Grupo Papalotla to provide high quality forage for dairy cattle, several economic projects on coffee
growing in conjunction with the sustainable food lab, and the sustainability of tropical regions through agrobiodiversity through biotechnology.

**Members and Partners**

CIAT is not a membership organization; most of its work is done with governmental, international organizations, or NGO’s. CIAT does on occasion work with private companies on specific projects, Costco and Green Mountain Coffee being recent examples.

**Cost and Participation Requirements**

Dependent on project.

**Conclusion**

Nestlé has had some indirect involvement with CIAT projects through Grupo Papalotla’s involvement with Nestlé’s dairy supply chain in Mexico. Papalotla supplies farmers with the forage seed and technical advice developed by CIAT. As a platform CIAT is probably not a suitable for fit for Nestlé. Its focus is primarily research, rather than developing industry links and partnerships.

**3.1. CERES**

**Scope**

Ceres objective is to bring investors, environmental groups and other stakeholders together to encourage companies and capital markets to incorporate environmental and social challenges into their day-to-day decision-making. Their scope is much larger than sustainable agriculture. They sensitize companies to environmental issues.

**Activities and Successes**

They focus on three groups of actions. First, they work extensively on sustainability reporting. They have developed a number of tools to help business on reporting. They also work on a
number of industry related project on environmental issues. None of these projects are in agriculture, they are looking at the broader issue of climate changes. Finally, their third group of action focuses on corporate and public policies in climate change.

**Cost and Participation Requirements**

Ceres members include association, NGOs and the private sector. Membership fees for Ceres are variable and based on revenue, for Nestlé membership fees are likely to be $35,000 annually.

**Conclusions**

Cere is primarily an investor and advocacy group, it has a very broad platform for sustainability, but is primary interested in project financing rather than specific sectors such as agriculture. As such it is probably not a suitable fit for Nestlé and their goals in North America.

3.2. **Clean Technology and Sustainable Industries Organization**

The Clean Technology and Sustainable Industries Organization (CTSI) is a not-for-profit membership organization with offices in the USA and Europe.

**Objective**

The CTSI aims to provide a cross industry community to promote clean technology development, profitable commercialization and global integration of sustainable industry practices.

**Scope**

CTSI’ scope is very broad encompassing with eleven separate focus areas from renewable energy to industrial processes. Its primary focus areas are the promotion and commercialization of NEW Sustainable and Clean Technologies and the promotion of Reduced Footprint practices in traditional industries. It hopes to achieve these through a range of approaches including;
public funded research advocacy, private funded grand challenges, technology publication and industry & policy leadership programs.

**Activities and Successes**

CTSI primary activity is the collection and dissemination of sustainability research through its online database CLEANTECHnetBASE.com and proprietary newsletters and reports. CTSI is also in the process of building a certification program to certify businesses as “sustainable”

**Members and Partners**

CTSI does not publish a member list.

**Cost and Participation Requirements**

$10,000 PA. No requirements.

**Conclusions**

CTSI’s participation in sustainable agriculture is very limited, making this platform of little use to Nestlé. While its role may grow as an advocacy and industry organization, it is a relatively nascent platform making its potential difficult to analyze.

3.3. The Keystone Center

**Objectives**

The Keystone Center is a non-profit organization founded in 1975 to ensure that present and future generations approach environmental and scientific dilemmas and disagreements creatively and proactively.

**Scope**

The scope of The Keystone Center is larger than agriculture but in 2006 they created a Sustainable Agriculture Steering Committee. This Committee objective is to create a platform that can be used throughout the agricultural supply chain to improve the overall sustainability of
production agriculture, rather than any one entity. The wanted to start the effort with a focus on the agriculture supply chain in the US, establishing methods that can be applicable to other chains and geographies. The discussion is more at the agriculture model level than at the farmer level.

**Activities**

The Sustainable Agriculture Steering Committee has produced so for a set of principle to define sustainable agriculture and how to measure sustainability at every level of the supply chain. The work of the committee has been focus so far on building consensus on defining sustainable agriculture and what actions should be taken to achieve sustainable agriculture.

**Members**

The Committee includes a large number of associations, NGOs and companies such as Cargill, The Coca-Cola Company, General Mills, Inc., McDonald’s, and Mars inc.

**Cost**

The Keystone Center Agriculture committee has three level of membership. The membership for Food Producers is $25,000, Retailers is $15,000 and NOGs is $2,000.

**3.4. Sustainable Food Lab**

**Objectives**

The mission of the Sustainable Food Laboratory is to accelerate the sustainable food trend from niche to mainstream so that we can ensure a healthy future for the planet and its people. They have four objectives. The first one is to share views about sustainable agriculture. Through meetings and conferences they invite members to share their views about sustainable agriculture. The discussion help to establish common grounds on definition and action plans to achieve sustainable agriculture. The second objective is to support a number of pilot projects. Members
participate, in partnership, to different pilot projects around the world. These projects aim to achieve sustainable agriculture mainly at the farmer level.

The Food Lab is also involves in education and coaching members about transforming their organization to favor sustainable agriculture. These programs help managers to understand the importance of sustainable agriculture and help them to put system in place to achieve that. Finally, the Food Lab is a platform where members share their experiences and initiatives.

Scope

The scope of the Food Lab is agriculture, fisheries and bio-fuel. In the agriculture sector, the Food Lab focus first on addressing sustainability issues in palm oil, cotton, soy, sugar, coffee and other commodities. Through the Responsible Fishing Alliance (RFA), the Food Lab wants to illustrate that small scale fishers could a solution of sustainable fishing. Finally, they are seeking financial support to complete a comprehensive assessment of the most likely sources of bio-fuels.

Activities

The activities of the Food Lab are diverse and based on members interests in sustainable agriculture. A business initiative looks at harmonizing standards, packaging and small farmer access to markets. The Fish Initiative strategy has focused on increasing consumer understanding of the concept of sustainable fishery. The Responsible Commodities Initiative is developing a benchmarking tool aimed at improving the way agricultural commodities are produced. The Framing initiatives has been doing research to better understand consumer’s attitudes toward food and food system. The Food lab is also looking at policy issues such as the local sourcing of food in institutional settings.
Members

The members of the Food Lab include governments, NGOs and the private sector. General Mills, Green Maintain Coffee Roaster, HJ Heinz, Starbucks, Cisco, and Unilever are the largest private company’s member of the Food Lab.

Costs

The membership depends on the size of the business. Businesses with more than $1 billion of sales globally pay $20,000. Businesses with sales between $1 billion and $200 millions pay $10,000 for annual fee and businesses with sales of less than $200 million pay $5,000. The membership fees for NGOs are between $1,000 and $5,000 depending of the size of the organization.

3.5. Rainforest Alliance

Historically focused on forestry issues, the Rainforest Alliance (RA) expanded into agriculture in 1991. While based in New York its initiatives run throughout Central and South America.

Objective

The Rainforest Alliance works to conserve biodiversity, primarily in the rainforest regions and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior.

Scope

The RA’s scope has expanded greatly from its original goal of forest protection and sustainable forestry to include; agriculture, tourism, education and eco-enterprise funding.

Activities and Successes
Most of the RA’s agricultural initiatives are coffee centered, but there has been recent expansion in cocoa. The organizations relationship with the private sector is primarily based on offering certification services; the focus of this certification process is the reduction of agrochemical and the development of alternatives to deforestation. Importantly the RA realizes the importance of developing product quality as a sustainability goal and aims to improve profitability and competitiveness for farmers, while reducing ecological footprint and sustaining biodiversity. For a fee the RA will certify farms based on an assessment of environmental – agrochemical reduction and ecosystem conservation – and worker protection – a much broader category which includes wages, healthcare, etc.…

**Members and Partners**

The RA has been successful in establishing service strong links with the food processing industry, in particular with Kraft and Unilever. Nestlé through Nespresso is a current partner with the Rainforest Alliance though the certification process. In addition to the certification services the RA has established the Sustainable Business Forum for its corporate partners.

**Cost and Participation Requirements**

Annual membership of $25,000. Membership to the Sustainable Business Forum (SBF) includes an initial scoping to map a company's sustainability and supply chain management goals and priorities. Annual events include; a one day-long learning event each year that includes presentations by experts in corporate social responsibility, sourcing and supply chain management, and one group learning workshop. In addition the SBF provides account management including monthly support on issues of concern to the member plus twice-yearly, half-day planning meetings.

**Conclusions**
The Rainforest Alliance offers members and partners the opportunity to join a well organized and well promoted organization (see section 4). It has had some positive impacts on sustainability particularly in agriculture. However its relatively narrow focus on rainforest regions, as well as its limited agricultural scope, makes it less appealing to a company like Nestlé. The Rainforest Alliance is building a membership of important stakeholders in the food industry through its Sustainable Business Forum, however the focus of the SBF remains selling RA services and certification into their members supply changes.


The United States Business Council for Sustainable Development (USBCSD) is a non-profit association of businesses whose purpose is to deliver highly focused, collaborative projects that help its members and partners demonstrate leadership in the United States on sustainable development and realize business value.

Launched in 2002, the US BCSD is a partner organization of the World Business Council for sustainable Development (WBCSD), a global network of 180 international companies with members drawn from 30 countries and 20 major industrial sectors. The WBCSD plays a leading role in shaping the business response to the challenges of sustainable development. The US BCSD plays a complimentary role by communicating those policies to the US business community and its stakeholders, and by implementing projects that apply sustainable development principles to real world problems.

Up to 2003, the US BCSD operated as the Business Council for Sustainable Development – Gulf of Mexico, which was established in 1993. The US BCSD believes that business success will be measured by its contribution to economic, social, and environmental sustainability.
Objectives

The United States Business Council for Sustainable Development demonstrates the business value of sustainable development through the creation of initiatives that foster sustainable development while creating value for business. The council offers networking and partnership opportunities and importantly provides a voice for business in the sustainable development field, promoting public and agency credibility of our members.

Activities

The vision of USBCSD is to promote sustainable development through; creating value through action, establishing networks and partnerships local, state and federal governments, NGO and other industries, and finally providing a voice for industry.

Platforms

There are 5 platforms at USBCSD which are as follows: By Product Synergy, Energy & Climate Change, Water, Value Chain, and Ecosystem.

- By Product Synergy Platform is an integrated approach toward cross-industry reuse of materials, transportation and energy.
- Energy & Climate Change Platform seeks to promote sustainability through renewable energy, to provide economies of scale and to decrease the effect on industry on the climate change.
- Water platform aims to use advance technologies to minimize water usage of the industry.
• Value Chain Platform promotes sustainability by linking a broad range of stakeholders involved in value chains.

• Ecosystem Platform promotes sustainability through the conservation and restoration of natural resources

_Members_

ConocoPhillips, Cook Composites and Polymers, Lafarge, Shell and Temple – Inland are the executive board members. The other members are BakerBotts, Baker Hughes, BrownFlynn, Conservation Capital, The Dow Chemical Company, ENSR, Holcim, Marathon Oil Co., Owens Corning, Texas Molecular, and Thompson & Knight

_Partners_


_Cost and Participation Requirements_

There is no disclosed data available about the cost of membership and the requirements of the membership.
4. Analysis of platforms: Publicity and Exposure

It is useful to understand how much exposure the platforms discussed have received in the published print media, so a comparison can be made of the platforms in terms of publicity a factor that may be an important component in the credibility of the program to the agricultural community and to farmers. To do this we reviewed each platform in the Factiva publishing database for the years 2003 through 2007 inclusive and counted the number of hits each platform received in each year. The results are shown in Figure 3 below.

As we can see in above, the Rainforest Alliance and The Keystone Center are by far the most well known of the platforms reviewed in terms of those media exposure, with the Ceres platform appearing in third place.
5. Other areas of research

An effort was made to examine farm level initiatives in Mexico, through outreach to the Mexican department of Agriculture. Unfortunately they were not able to answer our questions in time for this report, however the relationship may be worth continuing and we have included our letter to them and contact detail in the appendix.
6. Recommendations

As the world population grows, the demand for agriculture products is growing rapidly. Under the current method of production, farmers will not be able to produce sufficient products for the future needs. The current agriculture model is inefficient and depletes natural resources like soil and water. Agriculture has to become more sustainable. Many businesses, governments and NGO’s are working together to create sustainable agriculture. They have created platforms where they share point of views on sustainable agriculture.

Nestlé in its participation to sustainable agriculture platforms is facing two issues. The first one is sustainable agriculture initiatives. These initiatives aim at transforming farming processes to increase efficiency and sustainability. Nestlé wants to learn more about these initiatives to develop products that will make Nestlé more competitive. Nestlé, with other partners, has developed a European platform (SAI) to share initiatives. There is no similar platform in North America. Some organizations are sharing information about member sustainable initiatives but none of them is specialized like SAI. In that context, we believe that Nestlé should open a branch of SAI in North America. This North American branch will bring new players and gather more information on initiatives in North and South America.

The second issue for Nestlé is the policy side. Sustainable agriculture has been, in the last five years, attracting much more debates in North America. There are some platforms where members are discussing the definition of sustainable agriculture or standard of production. These policy issues are also important for Nestlé since they are going to shape the future of sustainable agriculture in North America. We believe that it is important for Nestlé to be around the table
and be part of those discussions. It is the only way for Nestlé to influence the agenda and make sure that its interests is represented. The Keystone Center is probably the most influential group in terms of policy. We believe that Nestlé should become an active member of this platform.
7. References


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## 8.1. Competitor Activity Matrix

<p>| Competitor | Conservation International Brazil | Oréades, a Brazilian NGO | Baria Serece | Progressive Agriculture Foundation | Alliance with Procter &amp; Gamble | OSIHA | Fauna &amp; Flora International | Centers for Disease Control and Prevention Foundation (CDC Foundation) | Univ of Minnesota | Keystone | Roundtable on Palm oil | Better Sugar Initiative | Soy Round Table | Rainforest Alliance | World Cocoa Foundation programs | International Cocoa Initiative | Sustainable Tree Crops | CERES | Rainforest | Food Lab | SAI |
|------------|----------------------------------|--------------------------|-------------|-----------------------------------|-------------------------------|-------|---------------------------|---------------------------------------------|----------------|-----------|-------------------|-----------------|---------------|-----------------|-------------------------------|-----------------|----------------|-------------|-----|
| Cargill    | X                                 | X                        | X           | X                                 | X                             | X     |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Monsanto   |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Dupont     |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| ADM        | Not member of any platform       |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Bunge      | X                                 | X                        | X           | X                                 | X                             |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Corn Products International |                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| ConAgra    |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Danone     |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Kraft      |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| General Mills |                              |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Hershey    |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Mars       |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| Unilever   |                                  |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          | X           | X                                 |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |
| X          | X                                 |                          |             |                                   |                               |       |                           |                              |                |           |                   |                 |               |                 |                               |                 |               |             |     |</p>
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<td><strong>Stakeholders involved</strong></td>
<td>NGO, governments, international finance agencies, some private partners</td>
<td>Investors, private companies</td>
<td>Food Producers, NGOs, foundations, and academic institutions</td>
<td>Food Producers, NGOs, foundations, government and academic institutions</td>
<td>Food Producers, NGOs, foundations, government and academic institutions</td>
<td>Companies operating in different industries other than agriculture</td>
</tr>
<tr>
<td><strong>Initiative started by</strong></td>
<td>Research facility for Consultative Group on International Agricultural Research</td>
<td>Ceres</td>
<td>The Keystone Center</td>
<td>32 individuals</td>
<td>Individuals</td>
<td>Members</td>
</tr>
<tr>
<td><strong>Number of members</strong></td>
<td>No formal membership scheme</td>
<td>78 companies, 72 environmental and public interest, 63 investors and foundations</td>
<td>22 members</td>
<td>80 members</td>
<td>35,000 active supporters majority of whom are individuals</td>
<td>18 members</td>
</tr>
<tr>
<td><strong>Progress and achievements</strong></td>
<td>Research success in the areas of germplasm and ecological preservation.</td>
<td>Launched the Global Reporting Initiative (GRI). Launched and directs the Investor Network on Climate Risk (INCR)</td>
<td>Produce a paper on key principles for achieving sustainable agriculture</td>
<td>Conferences and Initiatives</td>
<td>Certification scheme, economic development projects, have expanded beyond forestry to include agriculture and tourism</td>
<td>Summer and winter meetings, primary focus is on growing the forum for sharing ideas and discussion</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Project Dependent</td>
<td>$35,000</td>
<td>$25,000</td>
<td>$20,000</td>
<td>$25,000</td>
<td>Not available</td>
</tr>
</tbody>
</table>
8.3. Research Methods used include the following

1. Interviews with the following:-
   a. Hans Jöhr – Corporate head of Agriculture, Nestlé
   b. Benjamin Ware, VEVEY,CO-AGR, Nestlé
   c. Betsy Cohen, Nestlé Purina Vice President of Veterinary Business and Sustainability
   d. Jason Jay Ph.D. student in Organization Studies at the MIT Sloan School of Management

2. Letters/ Email
   a. SAGPRA (Please see complete list in Appendix 7.4)

3. Statistical research
   a. Vera database and Factiva

4. Various internet websites and media resources
   a. SAGPRA website (Please see)

We would also like to thank Professor Rick Locke at MIT Sloan for his guidance throughout the course of this project.

8.4. Letter to Mexican Government

16 de Abril del 2008

Atención:
Dr. Alberto Cárdenas Jiménez
Secretario de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación
Av. Municipio Libre No.377 - Piso-PB A
Col. Santa Cruz Atoyac C.P.03310
Del. Benito Juárez, DF
alberto.cardenas@sagarpa.gob.mx

Estimado Dr. Alberto Cárdenas Jiménez:

Nosotros somos un equipo de estudiantes de la escuela de negocios Sloan del MIT (Massachusetts Institute of Technology, USA) que estamos realizando un proyecto sobre Iniciativas Sustentables de Agricultura para Nestlé en una de nuestras clases. La demanda de productos alimenticios se está incrementando rápidamente y muchos de los métodos existentes de producción agrícola tienen un impacto negativo y van en detrimento del medio ambiente. Como resultado, existe la posibilidad de una oferta insuficiente de comida en las siguientes décadas. Nestlé está buscando formas en las que pueda contribuir al cambio en los modelos actuales de producción agrícola para fomentar una mayor productividad y sustentabilidad.

Nestlé actualmente apoya la Iniciativa de Agricultura Sustentable, SAI por sus siglas en inglés (Sustainable Agricultural Initiative), una plataforma Europea, en donde los distintos grupos de interés comparten sus iniciativas sobre agricultura sustentable. Actualmente, Nestlé está interesando
en incorporarse o iniciar un programa que tenga impacto importante al nivel del agricultor individual en México. Debido a lo anterior, nos han pedido que los apoyemos en generar las relaciones necesarias con las organizaciones e instituciones que ya tengan programas en operación para alcanzar este objetivo en México, y es por esta razón que nos estamos poniendo en contacto con Ud.

Nosotros sabemos que la Secretaria que Ud. preside ha desarrollado un gran trabajo en esta área y por eso le solicitamos atentamente si nos podría proveer con la siguiente información:

1. El nombre de los programas y/o organizaciones que actualmente tienen iniciativas de agricultura sustentable en México para la producción de café, cacao y leche, así como los datos de los contactos adecuados para las mismas.

2. La evaluación de su Institución sobre la calidad de estas iniciativas y su capacidad de influenciar a los agricultores.

3. Apoyo para identificar oportunidades en las cuales Nestlé podría participar en los programas y/o iniciativas descritas previamente.

De antemano agradecemos mucho su atención a la presente y aprovecho la ocasión para ponerme a sus órdenes y quedo en espera de su amable respuesta.

Atentamente,

Manjit Singh Kalha
MIT Sloan Fellow 2008

Información adicional sobre los proyectos de Sustentabilidad de Nestlé y el MIT se encuentran disponibles en:

- Nestlé Sustainability websites
- MIT - Sloan Sustainability website
  http://mitsloan.mit.edu/sustainability/

CC:
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