

Equipping
smallholders
to secure
their future



Cover image: A farmer leader providing training to farmers in Niabé, Côte d'Ivoire.
Inside cover: In Turkey, as hazelnuts ripen, they drop from the hazelnut tree and are ready for collection by farmers.



We aim to:

- bring prosperity to farmers and rural communities
- build long-term relationships based on fairness and trust
- transfer skills and knowledge through partnerships

Olam Livelihood Charter Principles

1. Finance

We offer farmer groups finance for crop production and asset investments.

2. Improved yield

We invest in training and support farmers with the supply of inputs such as fertiliser, seeds or seedlings.

3. Labour practices

We train farmers on health and safety, gender inclusion, the elimination of child labour and farming as a business.

4. Market access

We offer farmers a fair and competitive price. By remaining on the ground throughout the entire crop season, farmers come to see us as a reliable partner.

5. Quality

We encourage farmers to produce good quality crops by enhancing value to farmers and our customers through paying premiums.

6. Traceability

We ensure products can be tracked to source and certified where required.

7. Social investment

We support rural health, education and infrastructure to strengthen the potential of farming communities.

8. Environmental impact

We are reducing our overall environmental footprint by training farmers on Climate-Smart Agricultural practices to increase productivity, improve soil, water and forest management.

Gradually transforming communities year-on-year

Olam's buying network is vast. We directly source crops like cocoa and coffee from farmers based in developing countries who face inter-related challenges including low yields, low incomes, limited commercial skills and poor health. Supporting as many farmers as we can is not only the right thing to do, but makes business sense: if farmers grow more, at a better quality, we continue to satisfy customer demand for sustainable products.

It is imperative that smallholders, particularly the younger generation, see farming as a viable future.

Now in its sixth year, the Olam Livelihood Charter (OLC) identifies holistic factors that impact productivity both within and beyond the farmgate. The Charter's 8 Principles tackle economic, environmental and social challenges including business management, empowering women, reducing child labour and building resilience to climate change.

Partnering for scale

While the OLC is our flagship sustainability initiative, thousands of other farmers are also benefiting from various levels of support. Some programmes may be on their way to achieving OLC status, some communities may not require all 8 Principles and, in others, the business case may not be feasible for a full

OLC programme which requires significant investment, not least in staff. This is why collaboration with partners is so important if we are to achieve further scale. In 2016, over 30 customer, NGO, certification, trade, foundation and development organisation partners are helping us to deliver 44 initiatives. Together, we are sharing expertise and resources to help deliver our sustainability strategy. In turn, this will help deliver the UN Sustainable Development Goals (SDGs) and lift communities out of poverty.

2016 achievements



302,552 farmers¹



44 initiatives

8 new



1.36 million MT

7% increase



55,192 women farmers

18% (no change)



11 products

Black Pepper, Cashew, Chilli Pepper, Cocoa, Coffee, Cotton, Hazelnut, Rice, Sesame and Sugar **NEW** Onion



US\$161.58 million

in total financing
9% decrease



19 countries

Cameroon, Colombia, Côte d'Ivoire, Ecuador, Ghana, Honduras, India, Indonesia, Mozambique, Nigeria, Peru, Papua New Guinea, Tanzania, Turkey, Uganda, Vietnam, Zimbabwe **NEW** Egypt, Mexico



203,696 farmers

trained in good labour practices



130,157 smallholders

trained on forest conservation, (in particular, 'no burning'), along with other Climate-Smart Agricultural practices

¹ Reduction of 12% vs 2015 due to a change in business strategy so we no longer source directly from 66,000 cotton farmers in Zambia.

Sustainable sourcing independently verifiable

The Olam Livelihood Charter (OLC) is not a certification standard. But by fulfilling all 8 Principles, we can assure customers that their product is sustainable, traceable, and that it is helping rural communities to thrive. We do, however, work closely with our certifying partners if customers request third party certification – in 2016 24% of our OLC tonnage was certified.



Knowing the farmer's landscape means we can tailor support, target investments and track progress.

Olam Farmer Information System (OFIS) – unparalleled transparency

OFIS reaches the 'first mile' of Olam's supply chain. Working with smallholder farmers and mobile technology, we survey and register their farms and local social infrastructure. OFIS is also able to collect and analyse transaction data from the farm onwards, as well as all farmer training records.

This data means that OFIS users have unparalleled insight into our smallholder supplier network and sustainability initiatives. It allows us not only to give more farmers more tailored support but to monitor and learn which interventions – such as training via farmer schools or demonstration plots – have the biggest impact on yield improvements and other outcomes.

By the end of 2016 we had registered over 65,000 OLC cocoa and coffee farmers in 13 countries around the world.



Data collection includes farmer and family information, current agricultural practices, labour metrics, number and age of trees for tree crops like cocoa, production inputs, finances and yields. GPS data points record farms and social infrastructure.

Sugar

The sustainable sugarcane programme in the Madhya Pradesh region has been running since 2013 thanks to the combined efforts of Olam with IFC*, Hindustan Unilever Foundation, Solidaridad and New Holland. Over the last year, it embraced more than 750 additional farmers and was awarded the 2016 Most Notable Project of the Year by the Confederation of Indian Industry.

18,171 farmers¹

Charter Principles 2016 key facts

1. Finance	• US\$707,263 in financing
2. Improved yield	• 13,421 farmers trained in Good Agricultural Practices • 15% increased in overall productivity since 2013 • 70 demonstration plots and 1,000 model farms for a practical, 'hands on' approach to training.
3. Labour practices	• 13,421 farmers trained in good labour practices
4. Market access	• 1.05 million tonnes procured from 23,931 hectares
5. Quality	• First global metric standard for sugarcane – the partnership aims to develop the market for sustainable sugarcane, to train and support the mills and producers for certification for the Bonsucro standard.
6. Traceability	• 100% tonnage is traceable
7. Social and infrastructure investment	• US\$76,327 was invested in economic infrastructure including drip irrigation systems and farming equipment
8. Environmental impact	• 3,584 farmers managing 9,111 hectares received training in water stewardship, including drip irrigation - with better water-use efficiency and demand management, about 62bn litres of water-use avoidance was achieved by the project. • 2,978 farmers received training on soil fertility, including trash mulching to increase organic levels of carbon in the soil. • 2,937 farmers received training on Integrated Pest Management to minimise negative impacts of chemicals on the environment and help farmers manage costs • Improving water and fertiliser efficiency not only reduces environmental impact, but reduces costs and discourages the growth of weeds.

Thank you to our partners and supporters

CNH, Hindustan Unilever Foundation, IFC*, Solidaridad Network.

*International Finance Corporation, a member of the World Bank Group.

¹ Fewer than 1% are women

FARMER CASE STUDY



Radheshyam Patidar is 70 years old and from the village of Ghatwa in Barwani district.

Helping farmers to diversify incomes through innovative intercropping techniques

Radheshyam has been planting sugarcane for the past 20 years. Previously he used traditional, water intensive methods of cultivation but has now become one of the most innovative farmers, particularly with regard to intercropping. In November, he planted sugarcane in 1.7 hectares (ha) with 4.5 feet between each row, laying drip irrigation and intercropping chickpeas.

Cultivating the chickpeas cost him about Rs 20,000 (US\$300) and produced 32 quintals. His gross income was Rs 160,000 (US\$2,385) and net income was Rs 140,000 (US\$2,090).

He has since suggested that if we plant sugarcane in wider rows, the intercropping could be increased without impacting the cane.

Mr Patidar also experimented with garlic intercropping. In the 2015/2016 season he planted a new variety of sugarcane (Co-3102) provided by Olam. He realised that pests on the sugarcane were reduced due to the allelopathic (biochemical) effect of the garlic.

Cotton

Olam Cotton is one of the longest running products in the Olam Livelihood Charter (OLC) and today covers 1,359 farmer groups. We were delighted that the Côte d'Ivoire programme was featured by the Business and Sustainable Development Commission in a film demonstrating the opportunity for business in helping to achieve the UN Sustainable Development Goals. Called, 'Sustaining Your World', it can be viewed at www.films.economist.com/globalcompass. The programme was also highly commended in the Unilever Global Development Award with Business Fights Poverty.



55,373 farmers
15% women

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$13.6 million in short-term financing • US\$13.3 million in medium and long-term financing
2. Improved yield	<ul style="list-style-type: none"> • 33,021 farmers trained in Good Agricultural Practices • 264 demonstration plots and 369 model farms • 10,122 tonnes of seeds distributed
3. Labour practices	<ul style="list-style-type: none"> • Over 33,000 farmers trained in good labour practices
4. Market access	<ul style="list-style-type: none"> • 57,973 tonnes procured from 115,410 hectares
5. Quality	<ul style="list-style-type: none"> • US\$845,878 paid to farmers in premiums • 700 farmers in Côte d'Ivoire benefited from improved post-harvest assets
6. Traceability	<ul style="list-style-type: none"> • 52,648 hectares (46%) GPS mapped
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 3,000 people benefited from healthcare awareness and provision (especially sensitisation and testing for HIV). • 355 people benefited from sanitation infrastructure in Zimbabwe • 5,500 people in Zimbabwe and Côte d'Ivoire benefited from improved drinking water infrastructure • 473 people attended literacy courses in Côte d'Ivoire
8. Environmental impact	<ul style="list-style-type: none"> • 26,600 farmers in Mozambique trained on soil fertility management • 12,251 farmers trained on Integrated Pest Management • 43,000 hectares in Côte d'Ivoire benefited from sustainable water management training given to the farmers

Encouraging farmers to diversify rather than switch crops

"Each crop season brings new challenges. This year, erratic rainfall and drought in central Mozambique meant it was difficult for farmers and our team to plan when to sow and harvest. Farmers can be tempted to switch crops, but instead we encourage them to have a diversified crop base to best manage their risks in light of variable weather patterns and price fluctuations."

Quisito Bastos Gimo,
Country CR&S Manager Olam Cotton,
Mozambique

Encouraging farmers to take up new practices is not easy



In Mozambique, Olam works with Dutch development partner, IDH, to help farmers adopt the Better Cotton Initiative (BCI) farming principles. We rely on successful farmers like Joao Rodrigues to help spread the word that the new practices work.

Joao lives in a small community in Namige, Nampula. He has 5 children, of whom 4 are married. Among other crops, Joao grows groundnuts, cowpeas, maize and cassava but, most of his income comes from cotton which he has been growing since 1977.

He started selling to Olam in 2009 and since taking up the BCI principles, has noticed a big difference in his cotton income. Before joining Olam he used to produce, at the most, 400kg to 700kg per hectare (ha). Now, for 3 years in a row, he gets more than 1,500kg per ha in an area of just 0.7ha, while, thanks to improvements in the soil health, he has been able to grow his cotton on the same plot rather than having to undertake crop rotation.



Mamadou Ouattara is second on the left with his classmates.

Opening up education opportunities in Côte d'Ivoire

Olam cotton subsidiary SECO runs education courses in remote farming communities to teach basic reading, writing and maths to those who did not have the opportunity to go to school.

Aged 13, Mamadou Ouattara is one of the youngest participants and really excelled in the literacy course. The SECO social officer encouraged his parents to enrol him at the public primary school of Nafoungolo, a village located in the North of Côte d'Ivoire. For the 2016/17 school year he is now in class with children aged between 9 and 10 years old and is working hard. His father, Mr Ouattara Soualickou, said that without the SECO literacy programme his son would have never been able to go to school.

Thank you to our partners and supporters

Better Cotton Initiative, COMPACI (Competitive African Cotton Initiative), DEG (international financing subsidiary of KfW), FIRCA¹, GIZ (Deutsche Gesellschaft for Internationale Zusammenarbeit), IDH (Sustainable Trade Initiative), IFC², PSAC³, Solidaridad.

¹ Fonds Interprofessionnel pour la Recherche et le Conseil Agricole ² International Finance Corporation, a member of the World Bank Group.

³ Projet d'Appui au Secteur Agricole

Note: For the previous 4 years, we ran an OLC programme in Zambia but this ended in 2016 due to a change in business strategy. Such decisions are not taken lightly but we know that many of the farmers have the benefit of 4 years under the OLC.

Cocoa

In 2016 our 15 programmes reached 20,800 new farmers, including 4,000 new women farmers. In addition to our focus on increasing yields and opening up alternative income sources for cocoa farmers, we are working with the Fair Labor Association and our peers to help eradicate child labour.



129,884 farmers
13% women

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$110 million in short-term financing • US\$1.2 million in medium and long-term financing
2. Improved yield	<ul style="list-style-type: none"> • 111,800 farmers trained in Good Agricultural Practices • 2,223 farmer field schools and 498 demonstration plots • 3.96 million seedlings and 251,857 litres of insecticide distributed
3. Labour practices	<ul style="list-style-type: none"> • 98,851 farmers trained in good labour practices • 92,554 farmers sensitised on the importance of school and education • 14,303 farmers received Personal Protective Equipment • 248 women farmer group leaders (out of 2,904 overall)
4. Market access	<ul style="list-style-type: none"> • 168,956 tonnes procured from 331,052 hectares
5. Quality	<ul style="list-style-type: none"> • US\$29.2 million paid to farmers in certification and quality premiums
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable • 179,991 hectares GPS mapped • 88% is certified
7. Social and infrastructure investment	<ul style="list-style-type: none"> • US\$311,022 invested in infrastructure support, including trucks, motorbikes and farming assets such as solar dryers, nurseries, pruners and ladders. • Over 600 cocoa farmers and secondary school students in Nigeria benefited from diabetes, sanitation, malaria, HIV/AIDS and nutrition health booths. • 8,000 people in Indonesia benefited from literacy or vocational courses
8. Environmental impact	<ul style="list-style-type: none"> • 83,234 farmers trained in water conservation • 99,972 farmers managing 218,079 hectares trained in biodiversity • 69,253 farmers trained specifically in 'no burning' of forests (covering almost 103,000 hectares).

Targeting women and Climate-Smart cocoa production together

Olam is a partner in The Millennium Challenge Account MCA-I Compact's Green Prosperity project which strives to reduce poverty and bolster climate change adaptation efforts amongst 8,000 smallholder cocoa farmers in the North Kolaka and North Luwu districts in Southeast and Southern Sulawesi, Indonesia.

Over 7,000 farmers have been enrolled and registered in the Olam Farmer Information System (OFIS). A social and gender integration plan increases women's access to training - at the end of 2016, 1,395 women were involved.

About 71% (3,493.5 hectares) of the total 4,911 farms benefited from the application of sustainable management practices, where the surrounding forests are protected from encroachment and degradation.

El Nino and an earthquake add to the challenges facing farmers in Ecuador



Lindt & Sprüngli and Olam started a "Lindt & Sprüngli Farming Program" in Ecuador in 2014 to improve the livelihoods of farmers growing fine flavour cocoa, and establish traceability. Today the programme embraces 2,300 farmers and aims to reach 5,500 farmers by 2019. The farmers benefit from training sessions in farmer field schools, improved fine flavour cocoa seedlings, solar dryers or in-kind farmer premiums.

"The best thing about this programme is the trainings. I like attending sessions in groups where I get to learn, interact with others and then implement the learnings on my farm. I have already made a lot of changes in my farm, have started pruning and planted new seedlings as well."

Maria Esperanza Basurto Lucas, living in San Isidro, Manabi

In 2016, heavy rains brought by El Nino drastically reduced the production of monillo flat beans. This was coupled with an earthquake in April that affected 496 farmers participating in the programme. A relief fund was established, providing kits for farmers to help repair houses, as well as medical supplies.

"One of the big challenges when setting up a programme is gaining the trust of the farmers. They have been farming for decades and then we arrive and want them to form farmer groups and take up new practices. Social engagement is therefore crucial."

Saurabh Mitra, Branch Manager, Olam Cocoa, Ecuador

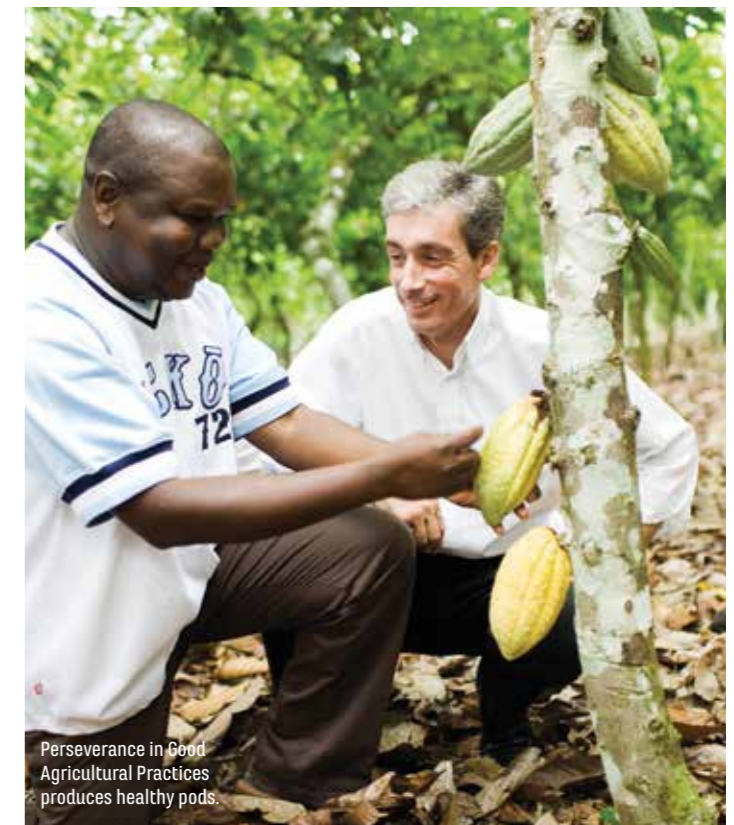
Tackling Deforestation

"Deforestation in cocoa is an ongoing issue as farmers seek land to increase yields. Our Climate-Smart Cocoa programmes with Rainforest Alliance are showing significant results, but incentives to farmers to take up the new practices are proving critical."

"We're also encouraging farmers to plant more forest and shade trees to help create cooler microclimates in the face of rising temperatures, although farmers still see them as competing with the cocoa. In partnership with GIZ, we are recommending 100 forestry and 50 shade trees per hectare. Additionally, Olam has been working progressively with its producers towards restoration of zones adjacent to aquatic ecosystems; restoration of farmed areas of marginal productivity to natural ecosystem; and incorporation of native trees as border plantings and barriers around housing and infrastructure, and permanent cocoa agroforestry systems. This means that we are planting more trees in our supply base and building more resilience of our communities to be climate ready. In 2016, OLC co-operatives planted 193,000 leguminous shade trees covering 1.9 million high quality cocoa seedlings."

"In addition to our own activities, we are working with others to tackle deforestation. Along with 11 other leading cocoa and chocolate companies we have also agreed to work together, in partnership with others, to end deforestation and forest degradation in the cocoa supply chain, with an initial focus on Côte d'Ivoire and Ghana."

Andrew Brooks, Head of Olam Cocoa Sustainability, Africa



Perseverance in Good Agricultural Practices produces healthy pods.

Thank you to our partners and supporters

Customers: Blommer Chocolate Company, Costco, Ferrero, General Mills, Lindt & Sprüngli, Mars Inc, Mondelez International, Nestlé, The Hershey Company.

Partners and certifiers: Advans, AfriCert Ghana Limited, Bayer, Bureau Veritas, Caritas, Cocoa Research Institute Nigeria (CRIN), Le Conseil du Café-Cacao, Comité National de Surveillance des Pires Formes des Travail des Enfants, Ecole Supérieure d'Agronomie de Côte d'Ivoire, Fairtrade, IDH-The Sustainable Trade Initiative, Initiative Restore pour le Cacao, International Cocoa Initiative, Kit Royal Tropical Institute, Organic, Rainforest Alliance, Save The Children, Scope Insight, Syngenta, UTZ, World Cocoa Foundation.

Coffee

Olam Coffee sustainability programmes now reach 13 initiatives across origins in Africa, Asia, and Central America with an additional 4,509 farmers embraced in 2016. Over 2,000 farmers have already been registered under the Olam Farmer Information System (OFIS).



FARMER CASE STUDY



Enabling farmers to take charge of their finances through community savings and loans schemes

In Tanzania, in partnership with the Tanzanian Association of Environmental Engineers (TAEEs), we are spearheading a savings and loans mechanism – Savings & Internal Lending Community Scheme, or SILC. This provides informal access to reliable finance for coffee farmers, as well as providing training in financial management, record keeping, leadership training and gender equality.

Since it began in March 2015, the programme has mobilised 127 SILC groups, made of 3,999 men and 1,346 women. They have saved a total of 288 million Tanzania shillings (approximately US\$132k) and by October 2016, 57 groups graduated redistributing their savings plus interest amongst members, worth a total of 182 million Tanzania shillings.

"I had a coffee farm that could not produce well because I was not using fertilisers, nor pruning, stamping and mulching. Training helped me to understand all these and get access to a loan to improve our farms and as well solve other challenges. I took a loan of 500,000 Tanzania shillings (US\$223) under the SILC programme.

"Now I have a cow that produces milk and manure. I also buy grasses for mulching, which then increases crop harvests. We are now getting more crop yields than before and access loans easily, without tight collaterals. I have realised, 'education has neither age nor end'."

Alphonse Byangwamu is 83 and belongs to the Hekima farmer group.

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$3.55 million in short-term financing • US\$1.26 million in medium and long-term financing
2. Improved yield	<ul style="list-style-type: none"> • 23,657 farmers trained in Good Agricultural Practices • 2.3 million seedlings distributed • 207 farmer field schools and 179 demonstration plots
3. Labour practices	<ul style="list-style-type: none"> • 23,608 farmers trained in good labour practices • 92 women farmer group leaders
4. Market access	<ul style="list-style-type: none"> • 22,950 tonnes procured from 49,061 hectares
5. Quality	<ul style="list-style-type: none"> • US\$522,700 paid in certification and quality premiums
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable • 8,007 hectares GPS mapped (16%)
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 1,000 people benefited from healthcare support (clinic) in Uganda • Economic infrastructure support such as a nursery in Mexico, and roads and warehousing in Uganda, Mexico, Cameroon and Tanzania.
8. Environmental impact	<ul style="list-style-type: none"> • 13,302 farmers managing 32,008 hectares educated on water conservation • 9,537 farmers trained on soil fertility • 4,066 farmers trained on forest conservation (no burning)

Olam and Klasik Beans – Profits, incomes and a focus on the forest (Case study by CSR Asia)

Olam Coffee has been supporting a cooperative in West Java, Indonesia called Klasik Beans, which cultivates a local variety of premium Arabica beans called Sunda Hejo.

The cooperative managers have a clear objective to preserve the Indonesian forest while generating a stable income for their farmers. Over 1,000 smallholders each cultivate a small forest plot of about 2 hectares. Under the arrangement, each farmer maintains the ownership of the land and has the choice to grow coffee or just focus on reforestation. The farmers organise themselves in groups and choose their own structure and leader.

Social impacts

- The farmers receive a quality premium which has encouraged farmers to further improve practices. People have the opportunity to work in local coffee production and are not forced to look for jobs elsewhere.
- Smallholders gain access to the global market with impressive results: coffee volumes traded by Olam in West Java increased from 80 metric tonnes in 2011 to 1,350 metric tonnes in 2015 and demand is exceeding supply.
- Reforestation and conservation activities have improved the quality of the forest – before being able to plant coffee, the farmers have to commit to having at least 16 varieties of forest trees to preserve the soil and the forest (totaling 30,000). These native trees are critical

"The programme has improved my life: before I had just enough for daily food, now I can save for the education of my children and for my retirement and investment for my family's future."

Lim Endun, smallholder farmer

Thank you to our partners and supporters

Customers: JDE (Jacobs Douwe Egberts), JJ Darvoben, Lavazza, Nestlé, Nespresso, Melitta, Pelican Rouge, S&D Coffee, Starbucks.

Partners and certifiers: 4C, African Development Bank, Caritas, Coffee Partnership for Tanzania, DEG, IDH-Sustainable Trade Initiative, Kahawatu Foundation, PEAS, Rainforest Alliance, MasterCard Foundation (Fund for Rural Prosperity), Sucafina, TAEEs (Tanzania Association of Environmental Engineers), USAID, UTZ.



Smallholder farmers hold up their coffee sustainability commitments at Olam's Coffee Community Day.

for providing the 60% shade required for the coffee, as well as improving the soil, decreasing the need for inputs such as high yield seeds, fertilisers and pesticides. As part of the land conservation training, workshops were conducted to familiarise farmers with native wildlife and its importance in the ecosystem (on which their coffee depends).

Future challenges

- **Scalability:** The number of smallholders who joined the cooperative increased from 8 in 2009 to more than 1,000 in 2016, with a waiting list of 500 farmers. Klasik Beans worries that it cannot maintain the same level of trust with farmers if they expand too fast.

- **Organic disease control:** The cooperative is currently looking for organic solutions to prevent and treat diseases, building a control laboratory to test new techniques.
- **Coffee prices:** There is a high level of volatility in the market for coffee.

After the success of Sunda Hejo, Olam started focusing on other islands in Indonesia in order to understand if the business model was replicable. Further success has been achieved in Bali, Sulawesi and Aceh.



CSR Asia is a mission-driven business creating value for clients and partners in Asia by supporting responsible, inclusive and sustainable business. Our services include sustainability strategy and reporting, and development and community investment. We deliver value through our advisory, networks, events and intelligence.

Cashew

The Cashew programme expanded by 6,888 farmers in 2016, with 1,188 new women farmers. Many smallholders have trees that are ageing, with reduced yields.



Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$12.9 million in short-term financing • US\$55,708 in medium-term financing
2. Improved yield	<ul style="list-style-type: none"> • 38,641 farmers trained in Good Agricultural Practices • 81,000 higher yielding seedlings distributed to farmers • 390 farmer field schools or demonstration plots for a 'hands on' approach to training
3. Labour practices	<ul style="list-style-type: none"> • 30,275 farmers trained in good labour practices • 90 women farmer group leaders (out of 1,104 overall)
4. Market access	<ul style="list-style-type: none"> • 50,922 tonnes procured from 138,097 hectares
5. Quality	<ul style="list-style-type: none"> • US\$703,769 paid to farmers for certification and quality
6. Traceability	<ul style="list-style-type: none"> • 2,000 hectares in Ghana are GPS mapped • 69% metric tonnes certified (Organic and Fairtrade)
7. Social and infrastructure investment	<ul style="list-style-type: none"> • HIV awareness, free condoms and testing. • 750 people in Côte d'Ivoire benefited from solar kits • Over \$120,000 invested in economic infrastructure support (post-harvest assets such as warehouses; marketing assets such as weight scales; trucks).
8. Environmental impact	<ul style="list-style-type: none"> • 5,107 farmers trained in soil fertility management and compost application • 56,181 farmers trained on 'no burning' of forests • 416 farmers in the Ghana Climate-Smart programme trained on how to adapt to and mitigate the impacts of climate change

Social investment in Côte d'Ivoire

"Since we started sourcing cashew directly from farmers in Côte d'Ivoire in 2012, Olam has invested in the construction of 5 warehouses and 5 drying yards. 750 farmers benefited from solar lighting and over 5,000 farmers have been sensitised on HIV. We have also supported 30,000 smallholders to improve their productivity and livelihood via training on Good Agricultural Practices, child labor and traceability."

Konate Issa,
Manager-Procurement and Sustainability Initiatives, Côte d'Ivoire

Earning respect and building loyalty



Alima Muhanle is 52 and works in Angoche, Mozambique, one of 6 districts where Olam works with 3,000 cashew farmers. At first, Alima was skeptical of our work with the local farmer group. However, when she saw Olam paying bonuses and distributing new seedlings to the best performing farmers, in 2016 she decided to join.

"Everyone comes and buys cashew from us but none of them had ever come back to say thank you in acknowledgement of our efforts. Olam is the first company that comes back to acknowledge the work we do."

Alima Muhanle,
working in Angoche, Mozambique

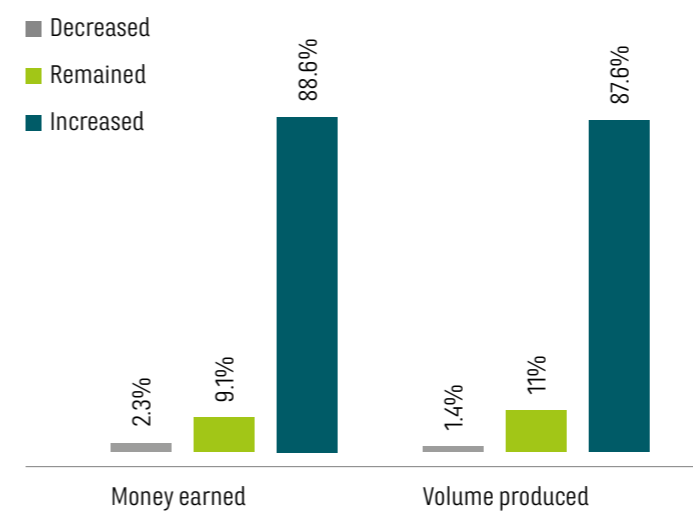
Through consistent performance incentives and field staff building relationships with farmers, we work hard to understand farmers' concerns and earn their trust. This season, Alima earned a bonus of 1,886.00 Meticais (approximately US\$28), with which she plans to hire labour and pay for spraying services.



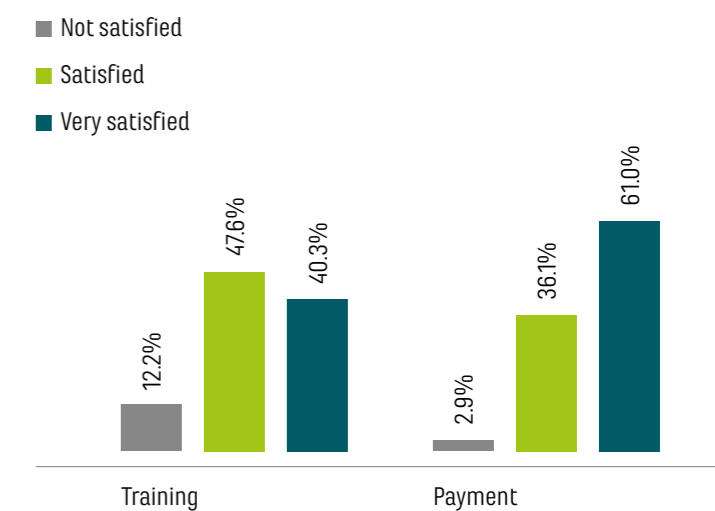
Improving the livelihoods of cashew farmers in Ghana

Olam Ghana has been running this Olam Livelihood Charter (OLC) programme across 22,000 farmers in 225 communities since 2013. Our partners are ComCashew and the Ghana Health Service. In October 2016, we undertook an impact survey with 929 cashew farmers, which showed that most farmers see the benefits of the programme.

Change in the amount of money earned from cashew and volume produced since 2013



Farmer satisfaction with the training and timeliness of payment



Thank you to our partners and supporters

ComCashew, FairMatch Support, GIZ, IDH-Sustainable Trade Initiative.

Hazelnut

Turkish hazelnut farmers have larger farms than traditional smallholders in Africa and Asia, but they still require Olam Livelihood Charter (OLC) support, particularly in terms of environmental and social practices. Migrant labour moving through Turkey to support the harvests brings increased labour risks, from child labour to fair payment for adults. The Fair Labor Association, of which Olam is an affiliate member, monitors the success of our awareness and remediation programmes.

2,459 farmers



Chilli Pepper

In India, Olam SVI provides comprehensive, regular training in Good Agricultural Practices (GAP), embedding sustainable agriculture through training on labour practices, land use, efficient application of pesticides and fertilisers and crop drying techniques, among others. A focus on Integrated Pest Management (IPM) helps farmers produce chilli that is free of pesticide residues and aflatoxin, while meeting all food safety norms.

677 farmers



Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • Financing not required for Turkish hazelnut farmers
2. Improved yield	<ul style="list-style-type: none"> • 2,459 farmers trained in Good Agricultural Practices over 39 training days
3. Labour practices	<ul style="list-style-type: none"> • 100% farmers received labour and decent work training • Meetings with seasonal/migrant workers helped them understand their legal rights and there is a particular focus on child labour
4. Market access	<ul style="list-style-type: none"> • 13,584 tonnes procured from 802 hectares
5. Quality	<ul style="list-style-type: none"> • US\$742,000 paid in certification and quality premiums
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable • 1,060 metric tonnes certified (Organic and UTZ)
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 100% farmers were sensitised on the importance of school and education • Summer School was provided for the children of 1,119 seasonal migrant workers • 307 children took part in sessions to help them understand their rights
8. Environmental impact	<ul style="list-style-type: none"> • 147 farmers provided with waste containers and trained in how to prevent storage areas from pests, to encourage Good Agricultural Practices.

FARMER CASE STUDY



"We observe the efforts of Olam and public institutions to eliminate child labour in Ordu. They visited villages, farmers, fields... This way we understood the seriousness of this issue and our responsibilities as farmers."

Muzaffer Bektas, Kizilhisar-Ordu

One of the challenges for the farmers is the limited control over the labour profile of their workers as they are highly depended on labour contractors. As the harvest season is short, they often do not have the sufficient time to select workers themselves so we need to mitigate labour risks. By providing better education opportunities to children and raising awareness among parents and farmers, we aim to eliminate child labour in the region.

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • Most of the farmers receive support from National Banks at a discounted rate of interest, Olam supports the farmers through premiums for quality and bearing of the supply chain costs.
2. Improved yield	<ul style="list-style-type: none"> • 25 farmer field schools • 2 demonstration plots and 8 model farms for 'hands on' approach to training • 100 training days for farmers
3. Labour practices	<ul style="list-style-type: none"> • 100% trained in good labour practices
4. Market access	<ul style="list-style-type: none"> • 4,706 tonnes procured from 1,655 hectares
5. Quality	<ul style="list-style-type: none"> • US\$200,000 paid in premiums for quality
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 1,700 people benefited from improved drinking water and sanitation (borewell and water purification plant)
8. Environmental impact	<ul style="list-style-type: none"> • 100% farmers trained in Integrated Pest Management (IPM) • 285 farmers trained in soil fertility, organic manuring and composting, coupled with judicious fertiliser use. • 100 farmers trained in better water efficiency, particularly drip irrigation, across 150 hectares.

FARMER CASE STUDY



Yepuri Ravi Vinjaram Village, Khammam, Telangana State, India

Olam encourages farmers, like Yepuri Ravi, to practise sustainable chilli cultivation through Integrated Pest Management (IPM), a site specific strategy for managing pests and diseases in a cost-effective, environmentally and socially acceptable way.

What is Integrated Pest Management (IPM)?

Integrated Pest Management (IPM) Programme is an eco-friendly approach that incorporates cultural, mechanical, biological and need-based chemical control measures from sowing to harvesting to produce chilli that is free from pesticide residue and aflatoxin to meet the food safety norms in a sustainable manner.

Olam Spices & Vegetable Ingredients offers specialised training for field assistants and farmers. Using IPM, the programme promotes natural methods of pest control, such as planting maize as a border crop, using marigold and pheromone traps, and deploying hygienic drying techniques that minimise contamination of the harvest.

Thank you to our partners

FLA, International Labour Organization/Caobisco project, Ordu University, Foundation for the Support of Women's Work.

Black pepper

In the Ba Ria-Vung province of Vietnam, Olam SVI works with a group of 166 farmers to produce Rainforest Alliance certified black pepper. Farmers are supported to apply Sustainable Agriculture Standards (SAS), developed by the Sustainable Agriculture Network (SAN) to generate ecological, social and economic benefits and market access.

166 farmers
8% women



Rice

Olam's 10,000 ha rice farm and mill produces rice for the Nigerian market. The farm also acts as a catalyst to support almost 4,000 smallholder rice farmers in nearby communities. Olam provides training and improved rice varieties, and then buys the crop to be processed at the mill on the rice farm. 475 farmers have been receiving the full Olam Livelihood Charter (OLC) support.

475 farmers
7% women



Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • Vietnam law prevents direct micro-finance from private Foreign Direct Investment (FDI) companies
2. Improved yield	<ul style="list-style-type: none"> • 100% of farmers trained in Good Agricultural Practices • 5 farmer field schools
3. Labour practices	<ul style="list-style-type: none"> • 100% of farmers trained in good labour practices
4. Market access	<ul style="list-style-type: none"> • 442 tonnes certified by Rainforest Alliance
5. Quality	<ul style="list-style-type: none"> • Packing materials supplied to farmers • Weighing scales and quality checking equipment distributed at the farmer cooperative buying locations
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable
7. Social and infrastructure investment	<ul style="list-style-type: none"> • US\$2,400 spent on drinking water and sanitation facilities • Food parcels distributed to celebrate the Lunar New Year (rice, edible oil, sugar etc.)
8. Environmental impact	<ul style="list-style-type: none"> • 100% farmers trained in water stewardship, soil fertility and Integrated Pest Management. • Farmers encouraged to plant trees as living poles for the pepper vines • Training includes the importance of digging waste pits, rather than burning; ecosystem conservation and wildlife protection.

FARMER CASE STUDY



Mr Hieu has been growing pepper for 10 years; he is participating in the low chemical residue pilot project of Olam.

"I was happy to join the sustainable pepper project of Olam. We are trained on pepper cultivation based on Good Agricultural Practices. We know how to apply fertilisers, use bio-pesticides and pesticides based on the '4 Rights': right pesticide, right dose, right time and right application method. We do not use pesticides in the prohibited list and try to use more bio-agents to control pests and diseases in pepper. We have also applied the drip irrigation technology and this helps save water, energy and labour for irrigation. We apply balanced fertilisers and use more manure to improve the soil fertility. We hope to get higher yields, better pepper production and a higher price for our pepper with low chemical residue."

Mr Tran Hieu, a pepper grower in Tanbang hamlet of the Quang Thanh commune, Chaduc district, Baria-Vungtau, Vietnam.

Thank you to our partners and supporters

Bayer Crop Sciences Vietnam, Rainforest Alliance, Quang Thanh People's Committee.

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$16,875 in finance for seeds
2. Improved yield	<ul style="list-style-type: none"> • 100% of farmers trained in Good Agricultural Practices over 36 training days
3. Labour practices	<ul style="list-style-type: none"> • 100% of farmers trained in good labour practices
4. Market access	<ul style="list-style-type: none"> • 622 tonnes procured from 675 hectares
5. Quality	<ul style="list-style-type: none"> • Investment in post-harvest assets: 5 warehouses taken on lease • 1.5-2% improvement in rice out turns as a result from better land preparation, supplying high quality certified seeds to farmers, and training on ideal post-harvest technologies ensuring a homogenous grain quality with lower foreign matter
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable
7. Social and infrastructure investment	<ul style="list-style-type: none"> • Farmers linked to finance institutions (see case study)
8. Environmental impact	<ul style="list-style-type: none"> • Farmers receive training on safe handling and use of herbicides and pesticides, and correct disposal of empty containers. • Bunds within and around the plots conserve rain water, helping to protect the soil from erosion.

FARMER CASE STUDY



Linking farmers to banks

In its efforts to improve food security and reduce rice imports, the Nigerian government has established various financial schemes to help farmers invest and improve yields. These are supported by various banks, International Fund for Agricultural Development (IFAD), USAID and the Nigerian State Department of Agriculture. As part of our smallholder out-reach programmes we have been hosting meetings across the villages to help the smallholders access the finance on offer. However, often the villagers lack the valid identity documents which must then be secured.

In 2016 we signed a Memorandum of Understanding with the rice farmers committing to buy their rice at a fair and transparent price - a key OLC component. We pay within 24 hours and have set up a price monitoring committee which includes representatives from the farmer groups. The crop is brought to different collection centres by the farmers where it is weighed for payment.

Thank you to our partners and supporters

International Fund for Agricultural Development (IFAD), Nasarawa Agricultural Development Programme, Nigeria Markets II (USAID).

Sesame

In Africa, sesame is popular with the farmers as it's known as a 'survivor' plant – it can resist drought where other crops might die, and doesn't require much fertiliser which is expensive. However, the yield per hectare in Africa is still low (between 150-350kg), so the team launched the Olam Sustainable Villages programme in Nigeria 2011. The sesame goes to Olam's processing facility plant in Lagos.

1,500 farmers

39% women

Nigeria

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$53,571 in financing (includes 3,000 bags of fertiliser and 7,000 litres of herbicide)
2. Improved yield	<ul style="list-style-type: none"> • 950 farmers trained in Good Agricultural Practices • 6 metric tonnes of seeds distributed free of charge • 4 farmer field schools, 3 model farms and 4 demonstration plots for 'hands on' training.
3. Labour practices	<ul style="list-style-type: none"> • 280 farmers trained in good labour practices
4. Market access	<ul style="list-style-type: none"> • 350 tonnes procured from 1,200 hectares
5. Quality	<ul style="list-style-type: none"> • US\$10,000 paid in premiums for certification and quality
6. Traceability	<ul style="list-style-type: none"> • 100% tonnage is traceable
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 100 beneficiaries of classrooms and toilets in schools • 220 beneficiaries of boreholes for drinking water in model villages
8. Environmental impact	<ul style="list-style-type: none"> • 100% of farmers trained in negative impacts of deforestation and sustainable land development practices • 40 saplings planted on World Environment Day with participation from Jigawa Sesame farmers' community

FARMER CASE STUDY



"I have been involved in sesame farming for the last 15 years. Earlier, we had to buy our farming inputs from the markets where we were never assured of the fertilisers or herbicides. Our yields and quality suffered.

"Olam has been supporting us for the last 10 years. We are now assured of our inputs in the beginning of the season and their training gives us the necessary support at all times. Our quality has improved and we get more produce from our farm.

"Their community development work is bringing more farmers to sesame and encouraging our women to participate in farming. This year (2016) they also helped our children with notebooks and constructed boreholes for clean drinking water in our villages. We hope their support continues with us in the future as well."

Maigiri Idris, farmer from the Garki area, Jigawa State.

Thank you to our partners and supporters

BSADP (Bauchi State Agricultural Development Programme), JARDA (Jigawa State Agric and Rural Development Authority).

Onions

A new programme, Olam Spices & Vegetable Ingredients has long-term contract relationships with 14 farmer groups in Egypt. Egyptian onions are prized for their consistency and flavour, making them highly suitable for dehydration.

450 farmers

Egypt

Charter Principles 2016 key facts

1. Finance	<ul style="list-style-type: none"> • US\$16,500 in short-term financing • US\$96,000 in medium-term financing
2. Improved yield	<ul style="list-style-type: none"> • 100% trained in Good Agricultural Practices over 36 training days • 250 metric tonnes of Busela (small onion bulbs) distributed to various smallholder farmers for a second phase winter crop
3. Labour practices	<ul style="list-style-type: none"> • Along with our technical training sessions and Good Agricultural Practices training, farmers were encouraged to send their children to school.
4. Market access	<ul style="list-style-type: none"> • 5,000 tonnes procured from 500 hectares
5. Quality	<ul style="list-style-type: none"> • US\$14,000 paid in quality premiums for large and uniform bulbs
6. Traceability	<ul style="list-style-type: none"> • 100% hectares GPS mapped
7. Social and infrastructure investment	<ul style="list-style-type: none"> • 10 health camps organised with almost 800 participants • 4 veterinary camps organised with almost 400 farmers having their animals inspected
8. Environmental impact	<ul style="list-style-type: none"> • 15 farmers trained in drip/sprinkler irrigation use

FARMER CASE STUDY



Ismail Salah Hussain, Saft El Khamar village in MENIA Governorate, Egypt.



Ahmed Galal Ali, Saft El Khamar village in MENIA Governorate, Egypt.

Online payments to farmer groups and best market access

"All the farmers are very happy because Olam took very good care of our onion winter crop. Olam were 100% committed to the price condition mentioned in the contract. They gave us 800 EGP/mt (US\$44) as base price when the traders were buying from us at 650 EGP/mt (US\$36). Olam also paid 70 EGP/mt (US\$3) as quality incentive to us. So, my net price was 870 EGP/mt (US\$48) compared to 650 EGP/mt (US\$36). Olam immediately paid the complete amount in the NGO's account, twice a week, which is the fastest we have ever seen!"

Ismail Salah Hussain and **Ahmed Galal Ali**, farmers from the Saft El Khamar village in MENIA Governorate, Egypt.

Thank you to our partners and supporters

Directorate of Health, Menia Governorate and CEOSS (NGO), Directorate of Veterinary Care, Menia Governorate.

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