Trade and Development Board, sixtieth session
Geneva, 16–27 September 2013

Plenary on Item 9:
Investment for development: Global Value Chains and Development

Speaker: Olam International

Wednesday, 18 September 2013

Not checked against delivery *

* This statement is made available in the language and form in which it was received. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Our History: Rapid Growth & Expansion

FY 1989: Start-Up
- 1 product
- 1 country
- 1 end market
- 4 customers
- 2 employees
- S$0.15M Book Value
- S$0.15M Market Value

FY 2012: Present
- 21 products
- 65 countries
- 60 end-markets
- 12,300 customers
- 18,000 employees
- S$17.1B Turnover
- S$403.8M PAT
- $4.0B Market Cap

Listed on Singapore Stock Exchange 2005
Our Business: Supply Chain Manager of Agricultural Raw Materials – through the Global Value Chain

Integrated From Farm to Factory

- Upstream Production
- Origination
- Logistics
- Processing
- Marketing Solutions & Services
- Trading & Distribution

End-to-End Supply Chain Capability

Rule: Differential Value Chain Integration
Expanding our presence across 65 countries

- 82% in emerging markets & 18% in developed economies
- Strong emerging market expertise

1994
- 7 Products
- 4 Countries

2001
- 10 Products
- ~20 Countries

2005
- 14 Products
- ~40 Countries

Today
- 21 Products
- ~65 Countries

Expansion into Asia and Europe

• Founded as an exporter in Nigeria in 1989
• Global presence across 5 continents
• Expansion into North and South America, Middle East

82% in emerging markets & 18% in developed economies
Our Products: Supplying from a diverse portfolio

**Edible Nuts Spices & Beans**
- Cashew
- Peanuts
- Almonds
- Hazelnuts
- Spices & Dehydrates
- Pulses & Beans
- Sesame

**Confectionary & Beverage Items**
- Coffee
- Cocoa
- Shea
- Specialty Fats

**Food Staples & Packaged Foods**
- Sugar
- Rice
- Dairy Products
- Grains
- Packaged Foods

**Industrial Raw Material**
- Cotton
- Wool
- Wood Products
- Rubber
Sustainability: agri-commodity demand-supply

**Demand**
- Growing population
- Increasing food consumption per capita with rising income
- Dietary shift to protein and fat rich diets
- Rapid urbanisation resulting in higher per capita consumption
- Growing use of biofuel

**Supply**
- Decline in agricultural productivity
- Declining arable land
- Urbanisation impact
- Water constraints
- Carbon constraints
- Impact of climate change
- Environmental constraints
- Logistics and storage chokes
The Olam Sustainability Standard – across the global value chain

- Connecting to 3.9 million small-holders
- Managing 110 processing units
- Investing in direct production

- 330,000 outgrowers
- Long-term contracted shipping

Small-scale Farmers – Improving farmer wellbeing through the Olam Livelihood Charter
Large-scale Farmers – Water, carbon and biodiversity management through Good Agricultural Practices

Sustainable stewardship of land and communities through carrying out Environmental & Social Impact Assessments
Using our purchasing to achieve better outcomes through implementing Supplier Codes
Environment, people and food safety through recognised processes and policies

Championing sustainability in the workplace through behavioural change

Improved efficiencies and reduced emissions through intelligent systems
## Investing in producing origins

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<tr>
<th>Integrated value chain global leadership</th>
<th>Selective value chain expansion</th>
<th>Core optimisation</th>
<th>Latent assets</th>
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### FY2009

- **Upst’m**: Leader
- **Core**: Follower
- **Midst’m**: Minor Presence

### FY2015

- **Upst’m**: Leader
- **Core**: Follower
- **Midst’m**: Minor Presence
- **Downst’m**: Inorganic moves

*In West Africa*
Representing a capital investment of US$ 3.5 billion

- **Integrated value chain global leadership**
  - Cashew
  - Peanuts
  - Almonds
  - Coffee
  - Palm*
  - Rubber*
  - Dairy
  - Spices & Dehydrates
  - Grains
  - Sugar
  - Cocoa
  - Rice
  - Cotton
  - Sesame
  - Pulses
  - Timber
  - CFSG
  - PFB
  - Agri inputs/Fertiliser

- **Selective value chain expansion**
- **Core optimisation**
- **Latent assets**
- **Downsize, Prune or Exit**

- Leader
- Follower
- Minor Presence
- Inorganic moves

* In West Africa
Investments requires managing ......
National support to agricultural global value chains

1. **Land reform** – ongoing but the process needs to be accelerated, a key output must be an agreed Land Registry

2. **Infrastructure** – more investment required especially; roads, electricity, ports & communications

3. **Social services** – nationally delivering health & educational needs to support the location of investments, esp. rural

4. **Research** – needs to be increased and aligned to the needs of the small-holders

5. **Technology access** – significant investment required in linking farmers to a range of services of boost yields and incomes that are now available

6. **Import duties** – increased dialogue required as duties have a huge impact on the viability of an investment such as rice
Thank You

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