

Sustainable Spices Initiative

World Spices Congress

11 February 2012 | Pune, India
Mrs. Margriet Glazenborg



Urgency for change

9 billion people in 2050

Increasing consumption in emerging economies

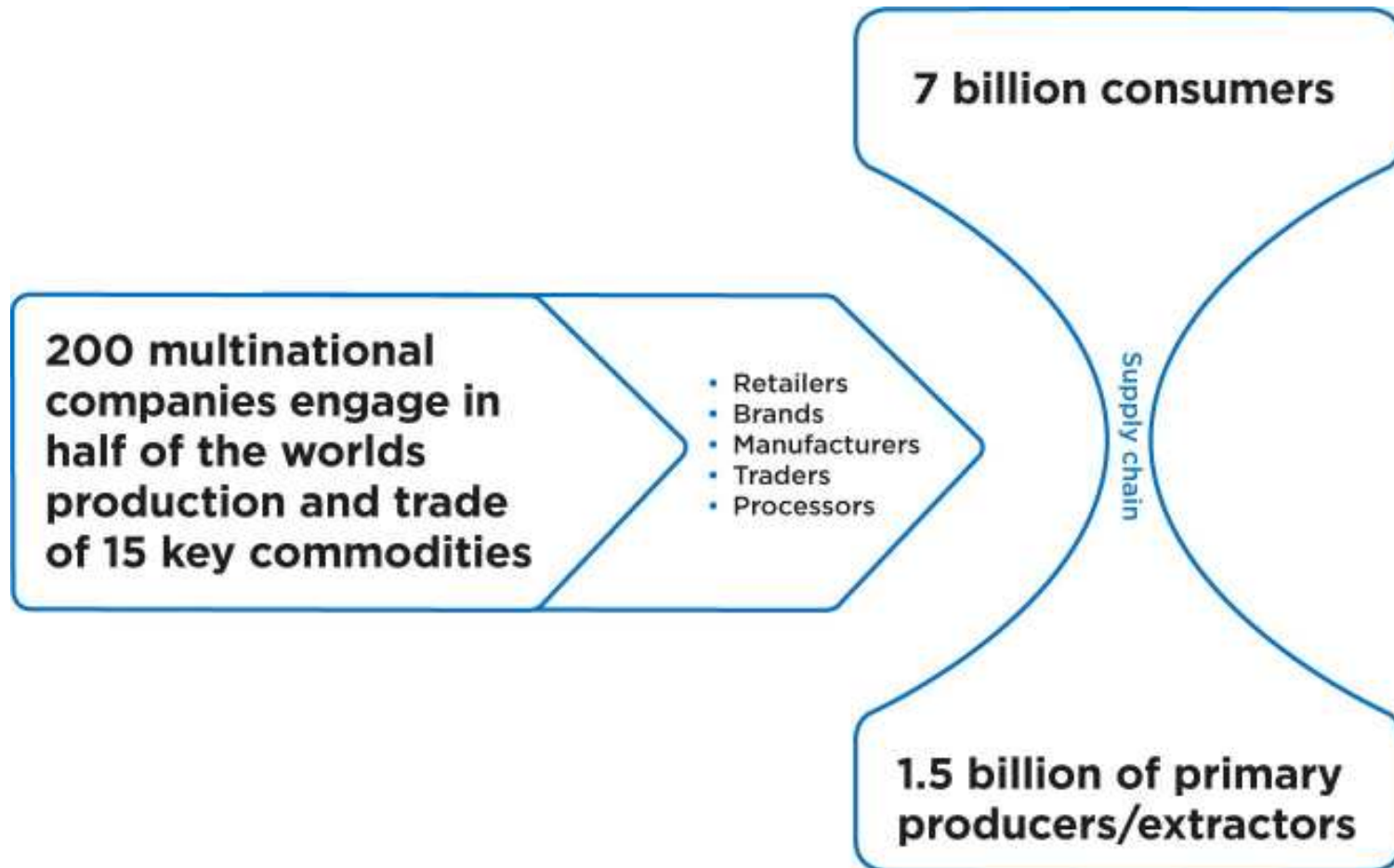
Finite arable land

Increasing impact on environment and people

Scarcity of raw materials

Increasing prices of agro commodities

Business has great leverage



Source: WWF

15 high impact key commodities



Palm Oil



Soy



Cotton



Fish Oil & Meal



Beef



Sugarcane



Farmed Salmon



Farmed Shrimp



Pulp & Paper



Tuna



Sawn Wood



Tropical Shrimp



Dairy



Whitefish



Biofuels

Key threat to the 35 biodiversity rich areas globally

Economic base of hundreds of millions of small farmers

Source WWF

A business case for public-private cooperation

Public interest

- Poverty reduction/economic growth
- Save the environment
- Geo-political access to resources

Private interest

- License to operate
- Access to supply

**Sustainable
Commodity
Production**

Mission of IDH

Accelerating and up-scaling sustainability within mainstream commodity markets

Mainstreaming social and ecological sustainability of commodity value chains from emerging economies to Western markets

Working on Millennium Development Goals 1, 7 and 8



Key ingredients of IDH

- High ambitions: **market transformation**
- Market **demand driven** programs
- Sustainable Equity Fund
 - Investing in source and in market
 - **Match funding**
- **Coalitions of the willing**
 - Business, Civil Society Organizations and Governments
- Inter sector **learning** to face international challenges

IDH Program and goals



Cocoa

Cocoa
Increased income for at least 300,000 farmers



Tea

Tea
22% of tea export certified in 2013



Tropical Timber

Tropical timber
13 million ha sustainable managed forest in 2013



Aquaculture

Aquaculture
15% of EU import of tilapia, pangasius and shrimp ASC-certified in 2015



Soy

Soy
10-15% of EU imports sustainably produced in 2015



Cotton

Cotton
1 million metric ton BCI cotton in 2015



Cashew

Electronics
More sustainable manufacturing in over 100 factories by 2015



Electronics

Coffee
25% worldwide coffee sales sustainable in 2015



Coffee

Tourism
15% of accommodations certified in 2015



Tourism

Natural stone
Improved labor conditions for 10,000 workers by 2015



Natural Stone

Spices
20% sustainable EU pepper in 2015



Spices



Palm Oil

A large, stylized letter 'S' composed of a thick red outline and two solid brown circles in the center.

**sustainable
spices
initiative**

Current momentum for sustainability

- Supply base of spices is under pressure
- Demand for (sustainable) spices is increasing
- Need to address sustainability issues

Current coalition of the willing

- Private partners
 - Euroma, Intertaste, Verstegen, Unispices
 - McCormick, Unilever, Nedspice
- Societal organizations involved:
 - Royal Tropical Institute, Both Ends, Cordaid, SNV Asia
- Extending the coalition in process
 - More private partners to have more impact
 - More stakeholders from the producing countries

Ambitions and objectives

- Transform the mainstream market for spices into a sustainable one, and through that contribute to the MDGs
- Focus:
 - **Pepper, Chilies, Vanilla, Ginger, Turmeric, Cassia, Clove**
 - **India, Indonesia, Madagascar, Vietnam**
- In 2015 is:
 - **20% of all pepper (black and white)**, imported in the EU from Vietnam and Indonesia, produced sustainably.
 - **10% of 3 other spices** imported in the EU *from 2-3 other countries*, produced sustainably.
- In 2013 a mainstream sustainability standard is developed

Current activities

- SAN standard adapted to 7 spices in 4 countries
 - Rainforest Alliance is starting to set Local Implementation Guidelines
 - First LIGs ready by end 2012
- €1.000.000 available for Producer Support Projects (PSP)
 - An investment fund in place (IDH: €500.000)
 - Based on a match-funding principle
 - Searching for additional donors
- Start implementing 1st tranche of PSPs mid-2012
 - To create sustainable supply of spices
 - Positive impact on the environment and on the socio-economic position of small-holders



www.sustainabletradeinitiative.com