



How sustainability can work for the spices industry

The SSI experience

ASTA Annual Meeting 2016

Scottsdale, April, 11th



the sustainable
trade initiative

Why Sustainable Trade in supply chains?

Sustainable trade: investing in addressing social environmental and economic issues, lowering risks and creating shared value



Private interest
License to operate
Access to supply

200 multinational companies engage in half of the worlds production and trade of 15 key commodities

- Retailers
- Brands
- Manufacturers
- Traders
- Processors



Public interest
Poverty reduction
Economic growth
The environment
Geo-political access to resources

Source: WWF



Commodities & sustainability challenges



Cotton



Tea



Palm Oil



Coffee



Aquaculture



Fresh & Ingr



Cocoa



Timber



Soy



Apparel



Pulp & Paper

Deforestation

Smallholder livelihoods

Working conditions, gender, child labor

Agrochemical use

Natural resources & productivity

Commodities & sustainability challenges



Deforestation

Working conditions, gender, child labor

Smallholder livelihoods

Agrochemical use

Natural resources & productivity

Commodities & sustainability challenges



Deforestation

Smallholder livelihoods

Agrochemical use

Working conditions, gender, child labor

Natural resources & productivity

Commodities & sustainability challenges



Deforestation

Smallholder livelihoods

Agrochemical use

Working conditions, gender, child labor

Natural resources & productivity

Commodities & sustainability challenges



Deforestation

Smallholder livelihoods

Agrochemical use

Working conditions, gender, child labor

Natural resources & productivity

Commodities & sustainability challenges



Deforestation

Smallholder livelihoods

Working conditions ,
gender, child labor

Agrochemical use

Natural resources
&
productivity

Commodities & sustainability challenges



Cotton



Tea



Palm Oil



Coffee



Aquaculture



Fresh & Ingr



Cocoa



Timber



Soy



Apparel



Pulp & Paper

Deforestation

Smallholder livelihoods

Agrochemical use

Working conditions, gender, child labor

Natural resources & productivity

Supply



Reputation

Food safety



What about
Spices and
Sustainability?



Home

About

- Standard development and Benchmarking
- Producer Support Projects
- Spices Trade Flow
- Local Platforms
- Projects

News

Resources

Participants

Why participate?

Research

Contact

powered
by



Login

Go

The Sustainable Spices Initiative

The Sustainable Spices Initiative



The Sustainable Spices Initiative (SSI) brings together leading multinational companies and NGOs with the aim of **sustainably transforming the mainstream spices sector**, thereby **securing future sourcing and boosting economic growth** in producing countries.

SSI is a sector-wide consortium, founded by four prominent players in the Dutch spices market – Euroma, Intertaste, Versteegen and Unispices. [IDH - The Sustainable Trade Initiative](#) established this platform to include organizations such as McCormick, Unilever, Olam, Nedspice, Cassia Co-op, ITC India and many more valuable [partners](#).

Together with civil society organizations (CSOs) such as the Royal Tropical Institute (KIT), Cordaid and Both Ends, these companies have made a commitment to sourcing their products sustainably and to making a positive impact on their value chains.

[Read more](#)

Want to participate?

SSI is a result-oriented coalition of companies, government agencies and social organisations that accelerates and up-scales sector-wide sustainability. Become a sustainability front-runner and join the **Sustainable Spices Initiative**. For more information, [contact us](#).

Partners

Sabater
Partner



'This is a great initiative that supports the sustainable sourcing objectives in our Unilever Sustainable Living Plan'

Dirk Jan de With
VP Procurement
Ingredients &
Sustainability





WORLD SPICE ORGANISATION



Intersnack



Royal Tropical Institute



NEDSPICE

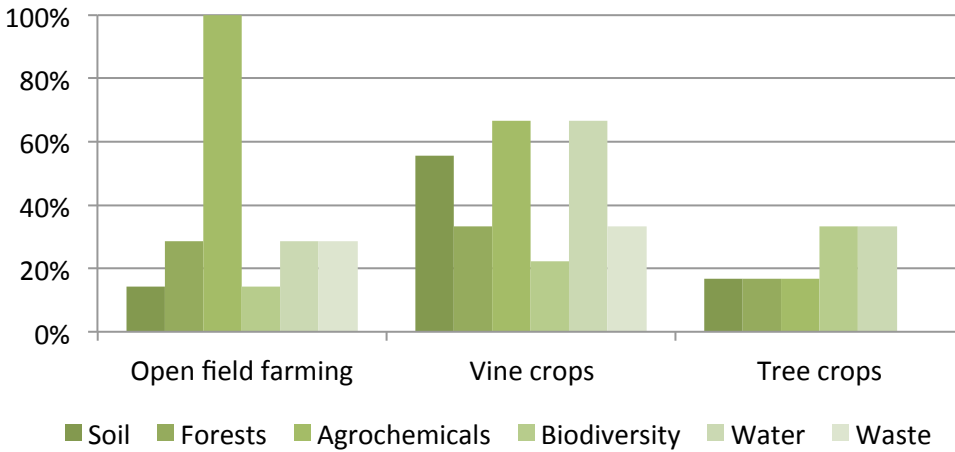




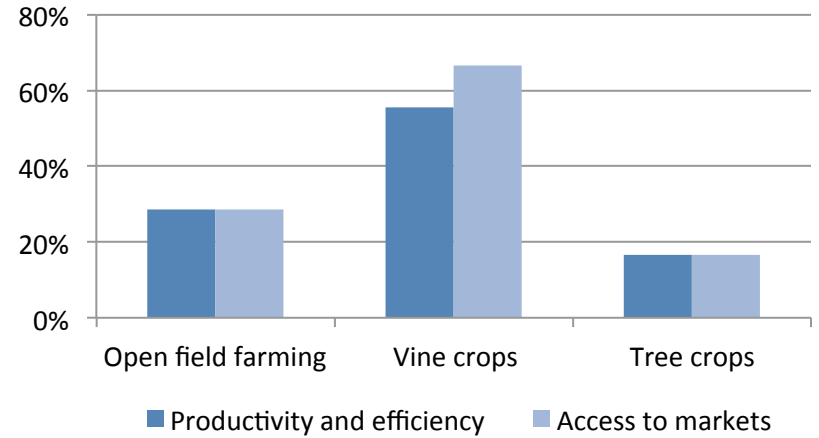
Issues

Environmental, social and economic issues are present in all spices categories

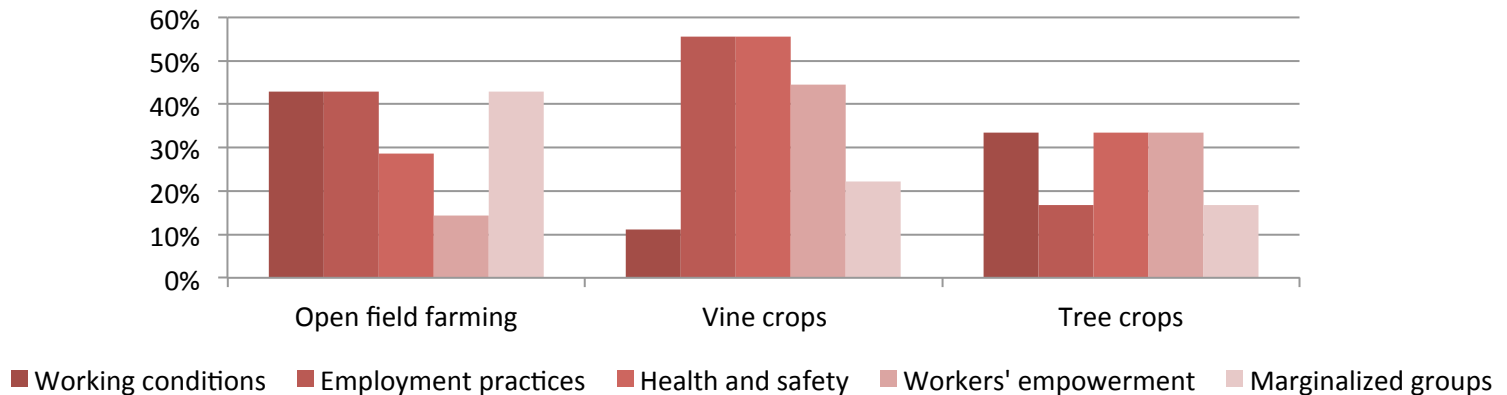
Percentage of sources stating environmental issues



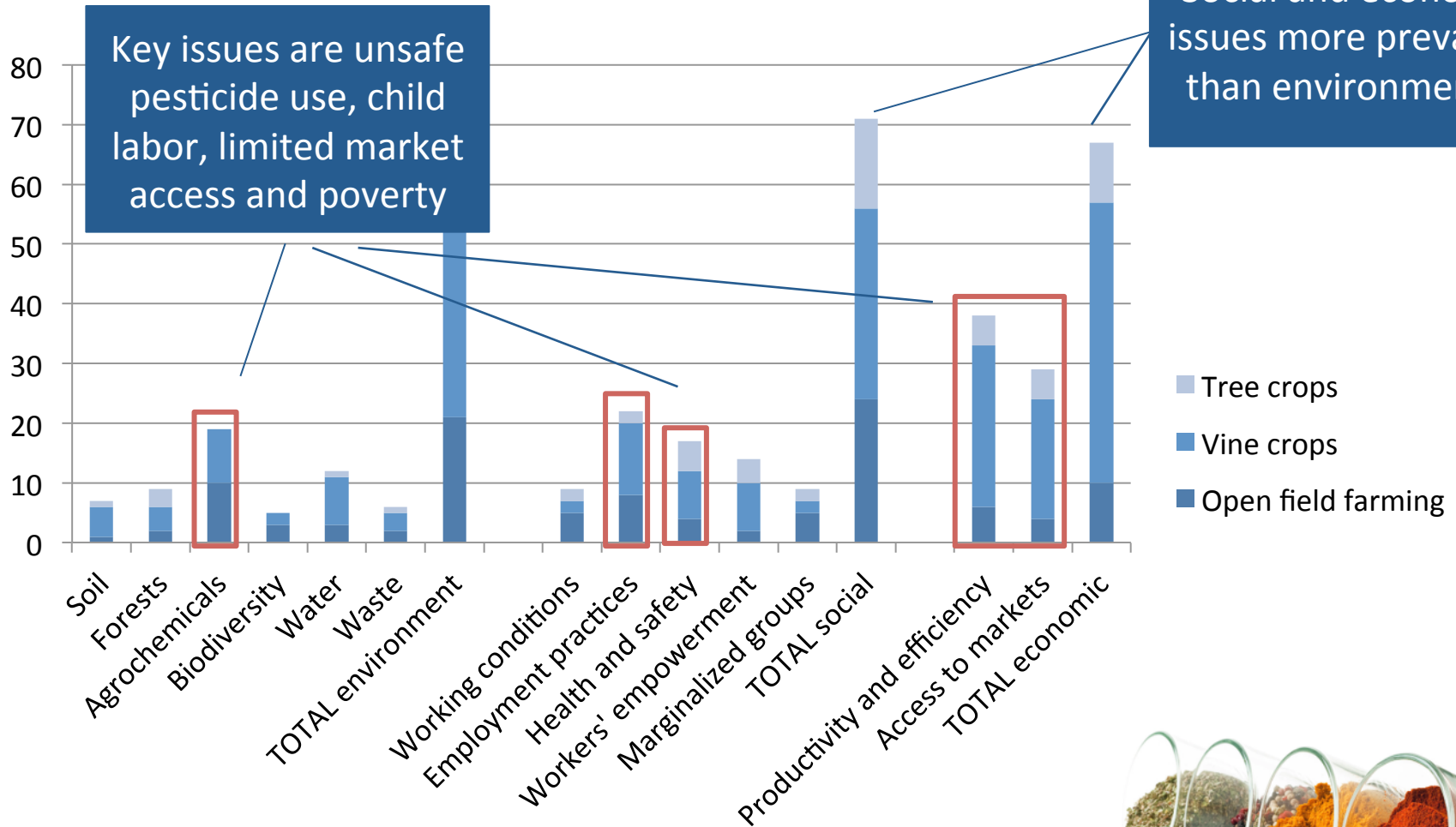
Percentage of sources stating economic issues



Percentage of sources stating social issues



Sustainability issues



The Key Challenges for Spices

- **Traceability**
- **Food Safety & Quality**
- **Supply**
- **Reputation & social
responsibility**

Traceability



Food Safety

- Agrochemical use & residues
- Toxins
- Allergens, microbiological conts

Quality

- Deteriorating quality
- Adulteration



SUPPLY

- Restricted entrance to EU/US
- Quality problems
- Low productivity
- Farmers leaving spices for better

While demand will increase we risk shortage of supply at the short and long term.



And price peaks

Reputation

Social and environmental issues

- Health and safety
- Decent work: children, women & migrants
- Farmers livelihoods
- Biodiversity
- Food safety



Maggi row: Centre sues Nestle for ₹640 cr

Dipak Kumar Dash
& Abhinav Garg | TNN

New Delhi: The consumer affairs department on Tuesday filed a complaint against food major Nestle India with the National Consumer Disputes Redressal Commission (NCDRC) seeking damages of ₹640 crore alleging that the company sold unsafe and hazardous products - Maggi noodles - to millions of consumers endangering their health. It has also alleged the company indulged in misleading and deceptive advertisements and also resorted to unfair trade practices to earn "unjust profits".

While dragging the firm to NCDRC on behalf of "millions" of consumers, the department has appealed to the apex commission to direct Nestle India to deposit the amount in Consumer Welfare Fund as permissible under the Consumer Protection Act. Moreover, it has

COMPENSATION SOUGHT

TOTAL DAMAGE CLAIMED | ₹639.96 cr to be deposited in Consumer Welfare Fund

18% interest on this amount till actual payment is made

CALCULATION | 10% of 2014 Maggi noodles sale: **₹284.55 cr** & **30%** of 2014 profit from Maggi noodles sale: **₹355.41 cr**

GROUND FOR COMPLAINT

- Nestle sold hazardous and defective goods
- False representation of one of its products, sold Maggi Masala Oats without product approval
- The misleading advertisements targeted children and mothers, who are more vulnerable to unsafe, hazardous and sub-standard food
- Misleading consumers about presence of MSG
- Sold defective goods with presence of lead
- Sold unsafe goods hazardous to life and safety



sought imposing 18% interest on the damage claimed till the actual payment is made by the firm. The department's complaint also mentioned that the claim for damage could increase as and when more disclosures and findings about the "unsafe" products surface.

In its prayer, the ministry has said, "The punitive/ exemplary damages are significant in the present case and are intended to reform and deter the opponent and other food companies from engaging in conduct similar" to that of Nestle so that the common public does not suffer and is not helpless to protect its health and wellbeing. The complaint was vetted by additional solicitor general Sanjay Jain.

Alleging that by its unfair trade practices as well as defective and hazardous products it has caused injury to millions of consumers, the department has sought "class action" against the company.

For full report, log on to www.timesofindia.com

...and Responsibility





Causes

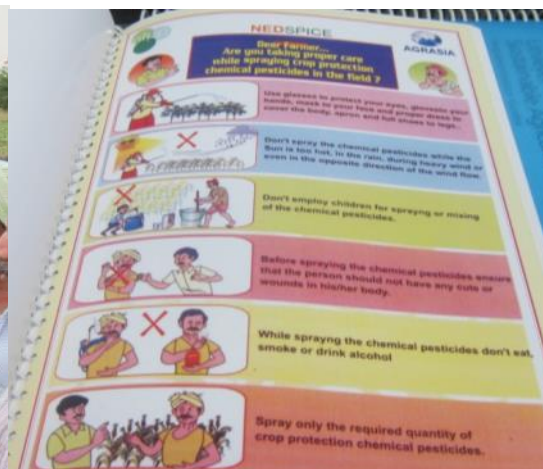
Some of the causes...

- Lack of knowledge on GAP
- Poverty and debt traps
- Weak enabling environment
 - Reliable inputs and finance
 - Extension
 - Gvt enforcement
- Weak farmer and sector organisation & sustainability policies



Solutions

Companies reaching out to farmers

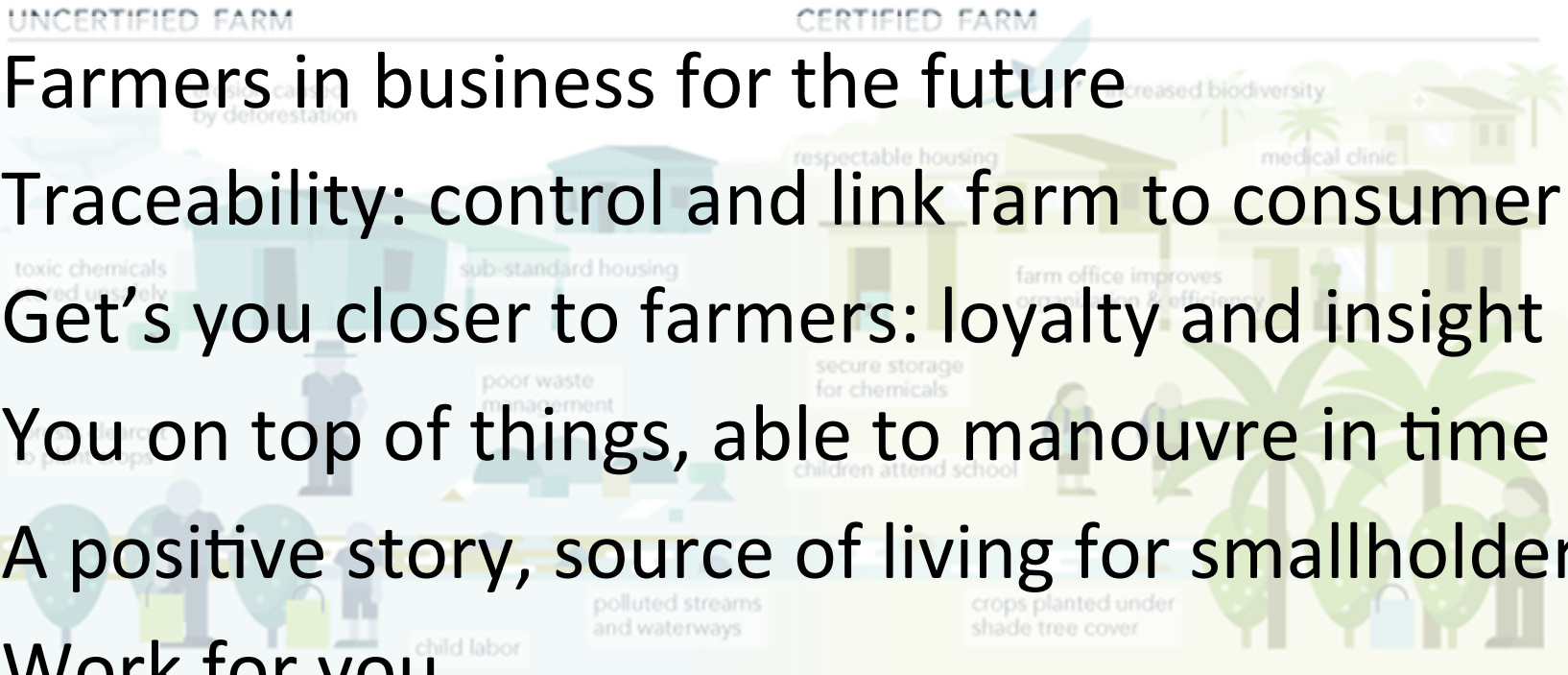


Farm certification, and beyond...



... Starting with IPM, towards better productivity and income. Companies closer to farmers, better assured of a traceable supply... And moving towards scale...

Bringing...

- 
- The infographic is divided into two columns. The left column, titled 'UNCERTIFIED FARM', shows a scene with a blue house, a person carrying a child, and a stream. Labels include 'toxic chemicals', 'sub-standard housing', 'poor waste management', 'polluted streams and waterways', and 'child labor'. The right column, titled 'CERTIFIED FARM', shows a scene with a yellow house, a medical clinic, a school, and a farm office. Labels include 'respectable housing', 'secure storage for chemicals', 'children attend school', 'farm office improves', 'increased biodiversity', and 'crops planted under shade tree cover'.
- Farmers in business for the future
 - Traceability: control and link farm to consumer
 - Get's you closer to farmers: loyalty and insight
 - You on top of things, able to manouvre in time
 - A positive story, source of living for smallholders.
 - Work for you...



**Collective
action**

SSI: overview



- Joint ambitions and targets
- 3M € investments; 40% public.
- 18 pilot projects
- First RFA certification & labeling
- SSI Basket of standards
- Expansion of backward integration
- Building local platforms and action
- Communication

Take-aways:

- Not rocket science.
- Sustainability covers key issues in sector
- Building credibility to buyers



Broadening and Benchmarking alternatives

www.standardsmap.org/ssi

www.standardsmap.org/ssi/



STANDARDS MAP
YOUR ROADMAP TO SUSTAINABLE TRADE



[Home](#) [About Standards map](#) [Partners](#) [E-learning](#) [Help](#)

EN E8 FR [Login](#)

The Sustainable Spices Initiative Equivalency Tool.

The SSI Equivalency Tool provides information on standards and codes of conduct addressing sustainability hotspots in the spices supply chain. It is based on the ITC Standards Map, however it only includes sector-specific standards. With spices-specific references, the tool brings SSI members clarity and knowledge on the references that are used in the spices sector.

[IDH Guide to SSI Equivalency Tool](#)



[Start](#)

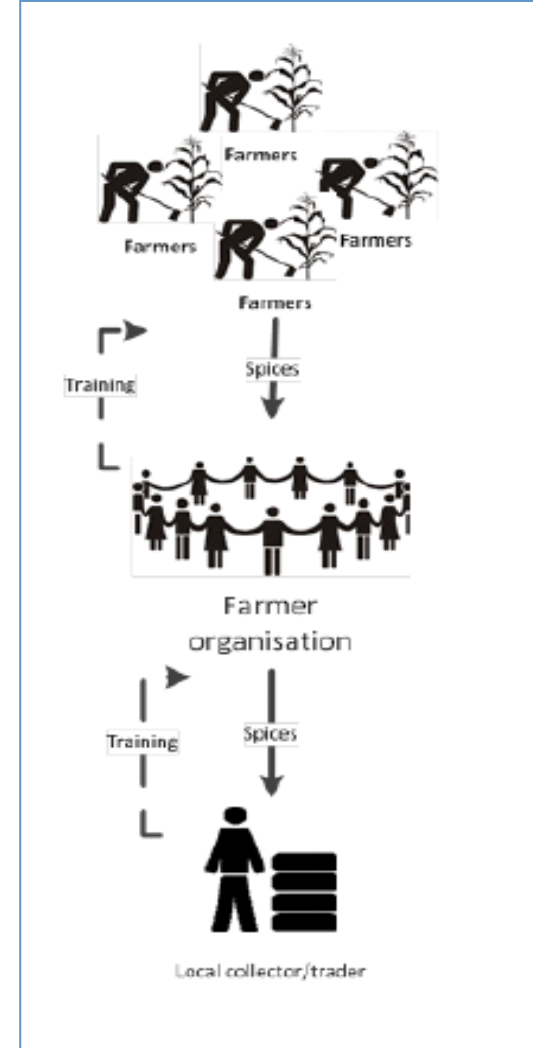
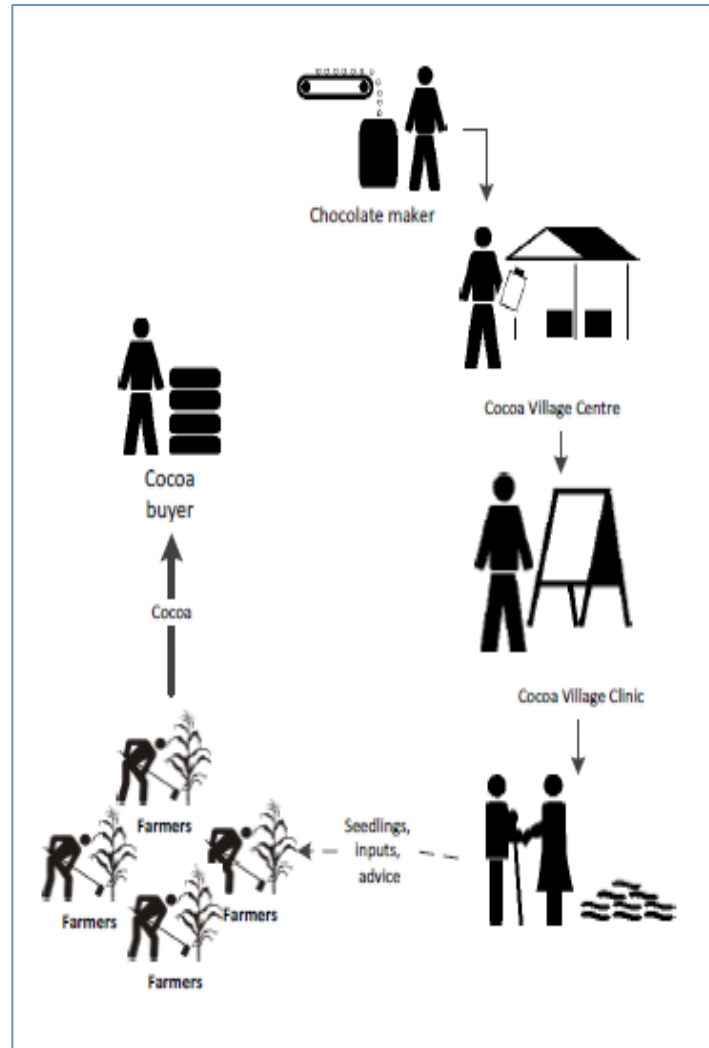
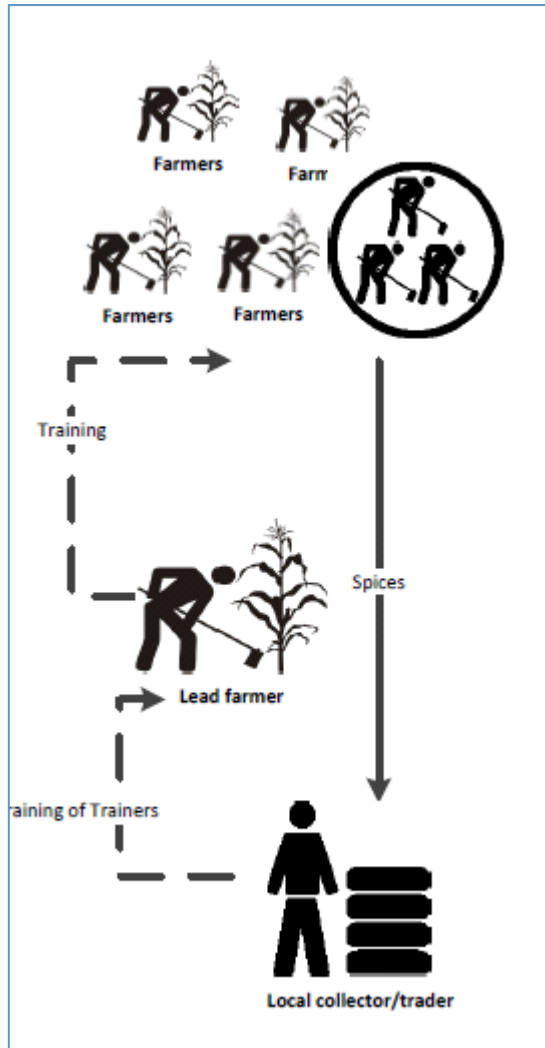
StandardsMap on Twitter

Standards Map Retweeted
 YPARD @YPARD
Our #YAP young agripreneurs make the case for SUSTAINABLE agriculture. Not only for Tomorrow but for decades to come. #GCARD3
05 Apr

Standards Map Retweeted
 Consumer Goods Forum @CGF_The_Forum
Join the Debate: What's Next for the #G7Declaration ? 26th April in Berlin
us6.campaign-archive1.com/?u=9e0d51eb5db...
#supplychain #sustainability
05 Apr



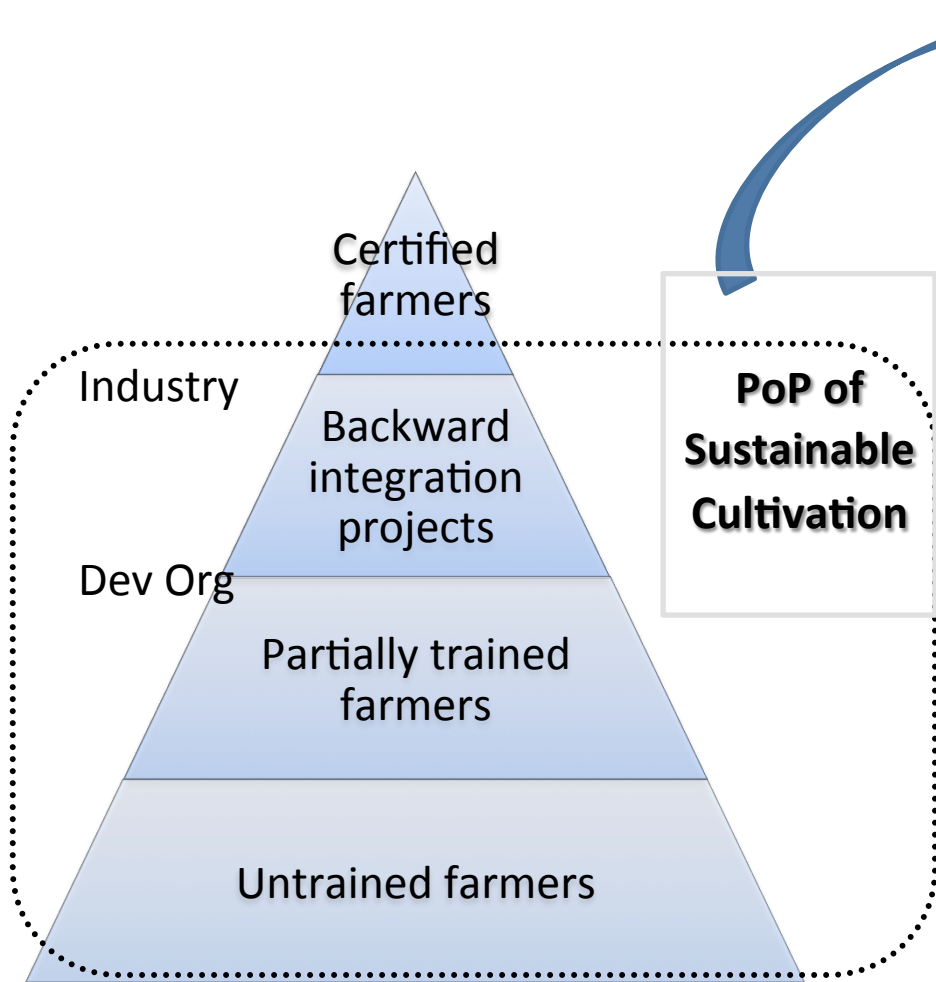
Piloting: best ways to reach farmers



Local platforms for joint action

- Vietnam: creation of national pepper taskforce under WEF/PSAV to reduce agrochemical use in pepper, with Mard and VPA. With SSI partners, ASTA and ESA.
- SSI India: “25% of Indian spices to be grown and supplied sustainably by 2025 (1.5 million MT)”, including local market. Upscaling. Collaboration with AISEF.
- Sustainable Vanilla Initiative: addressing quality, transparency, professionalisation of vanilla sector in Madagascar and improving farmer livelihoods.

India: scaling supply interventions



Core Component	Theme
Community Development and well-being	1.1 Women empowerment
	1.2 Improved community relationships
	1.3 Health and Hygiene
Optimum Natural Resources Management	2.1. Soil Health
	2.2 Water Management
	2.3 Waste Management
Proactive farming systems	3.1 Documentation
	3.2. Soil and plant health analysis
	3.3. Variety and seed health
	3.4. Nursery and land preparation
	3.5. Biodiversity
	3.6 Integrated Pest Management
	3.7 Irrigation
	3.8. Integrated Nutrient Management
	3.9. Harvest and post-harvest techniques
	3.10. Safety and health
	3.11. Child labour
	3.12. Forced labour
	3.13. Non discrimination
Value Addition	4.1. Innovation for livelihood enhancement and embedding sustainability within the farming system





The New Sustainable Vanilla Initiative



Sustainable Vanilla Initiative SVI







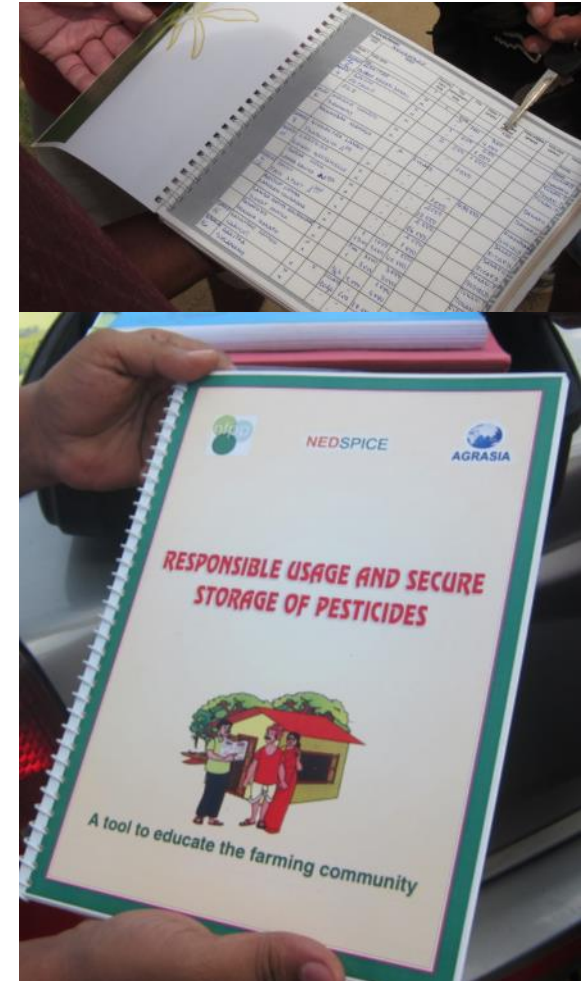
So...

Sustainability for you

- Traceability & Control
- Food safety
- Assurance of supply



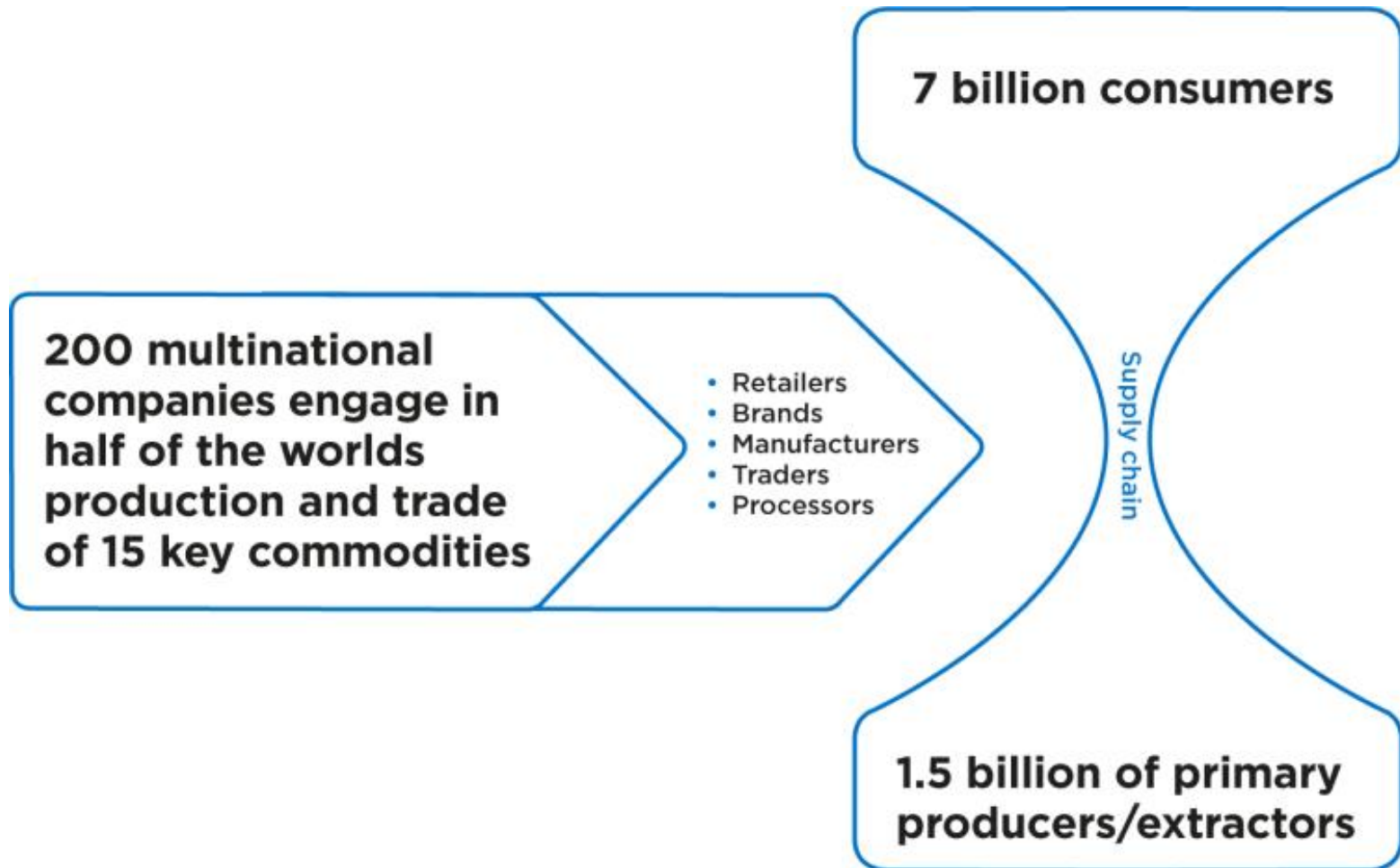
Lower risks
Credibility



Sustainability for the sector

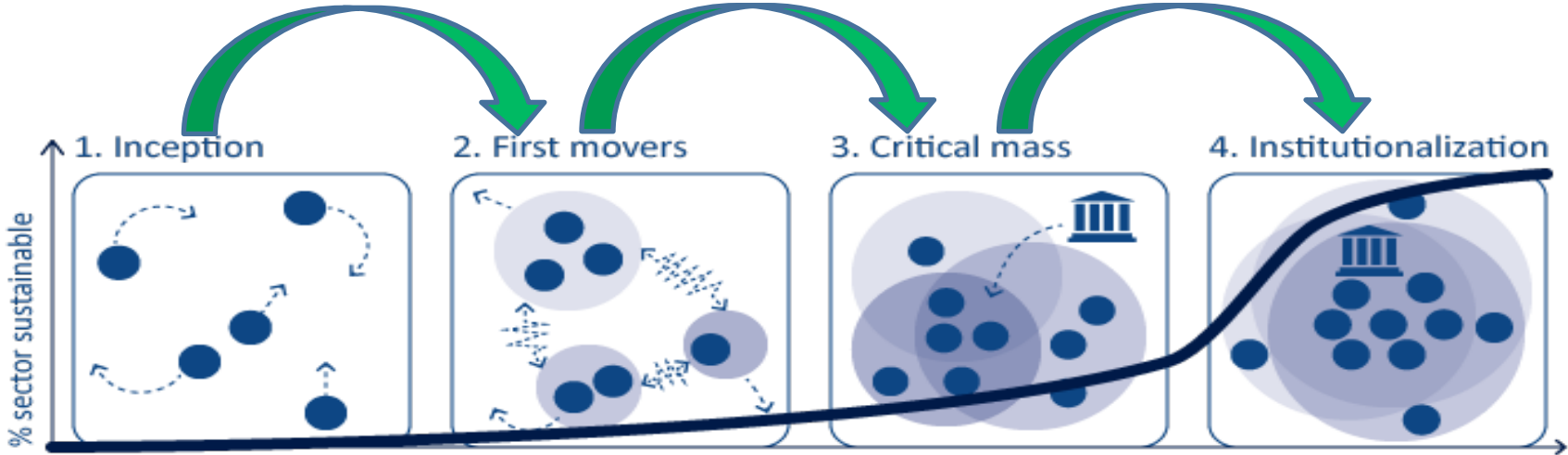
- Professionalisation & transparency
- Influencing government and policies
- Shared learning. Reality is challenging.
- De-risking the sector
- Building international credibility to buyers
- Long term supply

Business has great leverage



Source: WWF

Market transformation



Projects, Pilots & Innovations

Competition: VSS & sector programs

Non competitive collaboration

Level Playing field & institutionalization

Concluding

- Investing in securing food safe supply
= good entrepreneurship
... and sustainability is a core part of that equation
- Reducing food safety, supply and reputational risks
- Not rocket science at farm, but a journey for supply chain.
- Good for farmers, good for the sector...
... providing credibility to manufacturers and consumers
- Ask our SSI partners.

Final suggestions

'You are the average of the 5 people you share the most time with' (Jim Rohn)

- Learn, strategize and act together: collaboration and leadership on core sector sustainability issues
- Invitation for individual and collective collaboration and exchange with SSI and SVI
- Sustainability chapter at ASTA.

“Changing the world is just good business”

(Shared Value Initiative, M.Porter, 2016)



THANK YOU

www.sustainablespicesinitiative.com



the sustainable
trade initiative