



world Agricultural forum™

Asia Roundtable

INSIGHTS

March 8-10, 2009, Phuket, Thailand



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Agriculture Leaders throughout Asia Descend on 1st World Agricultural Forum, Asia Roundtable

This was the first World Agricultural Forum, Asia Roundtable, and it was held in Phuket, Thailand, March 8-10, 2009. This historic regional event reviewed Balancing the Agricultural Bottom Line.

The event agenda focused on agriculture in the context of current global economic conditions and the regional impact to Asia.

The World Agricultural Forum (WAF) provides a platform for dialogue among those who help sustain the lives and livelihood of the world population by meeting its growing need for food, fuel and fiber. The WAF gathers leaders from around the globe who are committed to both innovation and positive change.

The WAF Asia Roundtable brought together over 50 leaders in agriculture in from industry, government, NGO, and academia. Countries represented included: Australia, Bangladesh, Belgium, China, France, Indonesia, India, Malaysia, Nepal, Netherlands, the Philippines, Switzerland, Thailand, Turkey and the United States.

This insights document has been compiled to provide a summary of materials presented at the WAF Asia Roundtable and to highlight some of the key discussion points from the group dialogue. Podcasts of the Asia Roundtable are available at www.animalagnet.com.

Opening Remarks

Rt. Hon. James B. Bolger, ONZ, Former Prime Minister of New Zealand, Chairman, World Agricultural Forum



World population is one trend that is going to dominate the lives and thinking of policymakers moving forward. That is a sharp reversal of all the other trends. The world population at the beginning of 20th century was about 2 billion people. At the beginning of 21st century, it was 6 billion. In the middle of the century, it is predicted there will be 9 billion people to feed in the world.

We all have a part to play in producing and defining solutions we are seeking. This is a totally unique time. It is a time for thinkers. A new paradigm is needed if we are going to feed the world population. This is the time of demarcation. The biggest challenge will be how to use land, water and energy for production of food in a sustainable manner. We all agreed that agriculture food is a foundation of life. It is also a major contributor to sustained economic growth. The challenge about investment today is do we have enough credit to give to farmers so that they can feed the world. Where will the credit and investment come from?

Agriculture proves its ability to create economic growth and to

provide stability for developed and emerging economies. We need to have sustainable action to promote a sustainable economy. In this forum, we would like to see where the investment should probably go. Research and development are examples where investment is needed. Farmers should maximize sustainable yield. They need education, resources, technology and marketing. Farmers are the key component of this. If they don't produce, the rest of the world will not have it.

WAF is a neutral venue. We want to hear your voice, thoughts and ideas on how we collectively go forward. Thank you, platinum sponsor Novus International who has done tremendous job providing a superb environment and facilities.

On an ending note, Rt. Hon. James B. Bolger, ONZ, Former Prime Minister of New Zealand and chairman of the World Agricultural Forum pointed out a simple truth. "We need to remind ourselves that hungry people are angry people. We need to feed the world to have stable and prosperous world."

Global Crisis: Hunger, Energy and Food Security

*Mrs. Kornthip Seneewong Na Ayudhaya, Director, Bureau of International Agricultural Economics
Office of Agricultural Economics, Ministry of Agricultural and Cooperatives, Government of Thailand*



In 2007-2008, food, energy and climate change impacted countries all over the world. Disaster, drought, tsunami and bird flu have severely impacted the agricultural sector. The FAO has reported more than 9.23 billion populations are hungry. This is the bottom line of our society. If millions of the bottom line are still poor, the MDG goal to eradicate starvation and poverty before 2015 would be far from achievable.

Food security and energy are essential to solve the world's hunger problems. In terms of food security, Thailand has very little impact on food production. We still maintain our ability as a main producer and exporter of rice, cassava, corn and palm oil with approximately 80 percent of our production in exported products. One of the largest challenges has been production costs that have increased tremendously due primarily to the need to import chemical fertilizers and oil. At the same time, farmers do not reap the rewards of higher commodity prices.

Currently, agriculture covers an area of 20.4 million acres representing approximately 40 percent of Thailand's acreage. Population increase and improper use of agricultural land, coupled with increased wages and other production costs, have had a severe impact on agriculture. The ministry has tried to adjust policies to alleviate the current situation. Those include every step in the process from production, to packaging, to marketing.

Water is critical. At present, there are 23.9 million acres of irrigation area; approximating 8 percent of the total agricultural area. One plan is to increase value-added systems, build networks and urge growers to change to hybrid agriculture using sufficiency economy.

Food security is very important. Thailand is dedicated to monitoring production, marketing and looking after consumers domestically as well as internationally. In terms of the global warming crisis, all countries should work together in food safety and food standards.

Advancing Solutions for Meeting Demand

Dr. Harvey Glick, Scientific Affairs Director for Asia Pacific, China and India, Monsanto

Monsanto, a leading seed company providing high-quality, high-yielding seeds to farmers in numerous crops, provides advancing solutions for meeting demand. The company has approximately 20,000 employees worldwide at more than 300 facilities. Monsanto's primary focus is on the application of new technologies such as advanced and molecular breeding and biotechnology.

Research and development programs take 5, 10 or 15 years to bring to market. Production trends around the world drive R&D and vary by country and circumstance. In North America, food and fuel

in Asia will continue to be strong. Hybrid corn seed will replace OPV. In many Asian countries, hybrids used are still very low, but the trend is increasing. That will help increase productivity. There is also an increase of investment in technology.

Rapid adoption of biotechnology has resulted in 300 million acres of GM crops planted globally by 20 million farmers around the world. Most of that production has taken place in America, Canada and Brazil. Additionally, there are more than 30 countries that have import approval and rely heavily on import of cereal grains produced with this new technology.

Key Points

- Increased productivity – farmers have better protection from insects and disease
- Greater economic return
- Pesticide reduction
- Reduction of greenhouse gas emission

Significant challenges still remain. Monsanto has addressed those publicly and they include:

1. Doubling yield of corn, cotton and soybeans between 2000-2030
2. Reducing amount of input of land, water, energy, fertilizer per unit of output by 1:3 by 2030, compared with 2000
3. Making the farmer more sustainable and improving livelihood of small-holding subsistence farmers by 2020

concerns currently drive production, although demand for bio-fuel remains relatively low. Asia's increasing population and affluence is driving demand for cereal grain protein. This is not a one- or two-year change. It is a structural change that will last much longer. When we look at the world for variety of cereal protein crops, we see a striking trend. The demand for corn

Doubling yield by 2030 will first be accomplished by increasing the high-potential yield of seed. Molecular makers will help identify gene road maps of seeds and



develop new, high-yielding varieties that traditionally take 10-15 years to produce. The goal is to reduce that timeframe seven to 10 years.

Goals:

- Drought tolerance gene
- Increase water use efficiency
- Reduce irrigation use
- Yield insurance

Nitrogen use gene

- Increase Nitrogen use efficiency

- Reduce Nitrogen application
- Reduce GHG/runoff

Partnerships with food companies, grain processors, conservation NGO, ag input suppliers and grower organizations are critical to achieve these goals. There are also other integral relationships such as the Water Efficient Maize for Africa, CIMMYT and the Gates & Buffet foundations.

Take Away Insights from Roundtable Discussion:

“The challenge for government is to grow more food. They need to be looking at how they can make more technology available to farmers, not less. Farming is very difficult today, and it is getting harder every day. The approach is to bring appropriate technology to all farmers in Asia that meet food safety requirements.”

“The problem now, is that there is rejection to GMO. The rejection is not in the GMO itself, but in the monopoly by big corporations.”

“If we want to be sure that we’re going to be able to feed nine billion people in 2030, we need to be sure that everybody in the food chain is living out of this. The only alternative is to spend more money on research in order to be sure that we’re going to be able leave out of this and make money.”


“The technology that companies like Monsanto are bringing to the table is outstripping the capacity for governments to develop the necessary supporting policy frameworks. It becomes very important for forums like this and the collective forces that we can bring to bear on governments to work with them in partnership to further develop these policy frameworks to allow farmers the access to technology.”

“Agriculture should be defined with food, not energy.”

“One of the things we shouldn’t do is allow governments and their leaders to move away from their responsibility and hope someone else will pick it up. If we’re going to succeed in feeding the world when the population reaches nine billion then we’ll need the partnership we’re talking about.”

World Economy in 2009 and the Impact on Agriculture

Mr. Jan Lambregts, Head of Global Financial Markets, Research Asia, Rabobank



Today, the global recession is unprecedented. Forecasts are quite negative compared to the global boom in 2002-2007. Commodities and energy prices have risen dramatically and long-term unemployment is quickly becoming a problem. The collapse of Lehman Brothers in September of 2008 seriously intensified the crisis. Interbank lending seized up, and policymakers were forced to act. It wasn't a matter of liquidity, but one of solvency. As a result, blind panic set in, and the global real economy took a hard hit.

sion followed, along with widespread bank failures. Then deflationary policies and protectionism made things worse.

Reaction from policy makers has been somewhat different today. Monetary and fiscal policy makers have reacted quickly and aggressively and so far prevented widespread bank failures. In spite of these measures, we do not expect the US economy to recover before the final quarter of 2009 or 2010.



Policymakers began moving private credit risk to the public balance sheet. The risks of that strategy are still unknown as are the ultimate costs. The world has too much debt and deleveraging continues. Restructuring is impaired by political factors. In our opinion, policymakers should show more leadership.

Much has been made about the comparison of today's situation to the Great Depression. Equity, commodity and housing markets undermined bank lending. Reces-

Markets have also been affected. The European economy is in a deep recession with cumulative output loss more than twice the recession of mid-1970s and early-1990s. There is limited credit supply. Investments have been hit particularly hard and there is rising unemployment, which does not make up for lower inflation.

Asia is in the midst of a decoupling/recoupling debate. They have become increasingly integrated in the global trade system and hence more dependent on trade than ever.

There is resilience from increased intraregional dynamics and more diverse export destinations, but underlying final demand is still mostly US/Eurozone concentrated.

Asia has sound fundamentals and a much better structural starting point than 1997 or 2001. However, global recession has hit hard because it relies too much on export. Although the situation has improved, we still will see some crisis during the rest of the year.

FX FORECASTS – USD/ASIA

Asian currencies are weakening against the dollar. For the time being, the disappointment over Asia will be a dominating economic factor in the world economy with 5 percent to 10 percent less in value.

Global grains and oilseed stocks

have fallen because demand for these grains and oilseeds has exceeded supply. Ongoing demand for meat, especially in emerging markets, has been the main driver. Demand from a continuous expanding bio fuels industry also adds pressure.

Supply has been negatively affected by low yields and adverse weather in 2006/07 and 2007/08 causing a slow recovery of stocks. Signs of recovery in stock levels this year are projected.

The global financial crisis has helped drive down prices substantially as redemptions on hedge funds largely resulted in a run on long positions. The situation is now a financial and commodity market of much uncertainty and less liquidity.

Take Away Insights from Roundtable Discussion:

"We have to take this whole debate into a bigger frame. We are talking about the worldwide food system. The food system is demand driven. People will continue to eat. The important issue is to look at consumer prices if you do your economical analysis. Consumer prices are telling you much more than the price hikes on commodities. Food price indexes and purchasing power parity indexes are telling in terms of expected volume."

"Commercial private banks never give money to the producer. They give money to the processing industry. Last year, production costs went up so farmers took out loans with higher interest. They hoped to get the same price as the year before. Government is not subsidizing because people think they cannot afford to pay."

"It's not a matter of whether I think hedge funds should be regulated or not, they're going to be regulated; the extent of which we need to see how it turns out."

"Banking consists of a number of elements and one of the elements is to go out to clients and talk about their needs and how they can be met."

"We need to hedge, but in a different way, not with sophisticated kinds of financial products. Most of the successful hedges are fairly vanilla, so let's hope we see a move toward that in terms of banks forcing you to engage in very high speculative trades."

"China is facing drought and anything affecting China will also affect other countries. I think we need to have partnership. Food crisis is not about speculative demand, but really structural problems. They manipulate the public sector by being biased against the agriculture sector."

Banks have adopted a very conservative credit risk appetite, and investors have been selling commodities to reduce risk and raise capital which puts downward pressure on prices.

Despite financial crisis and lackluster confidence in economies around the world, the boom in demand will return. When it does, the question of where supply will come from to satisfy ever higher levels of demand will again be front and center. Based on fundamental demand forecasts, there is a need for an additional 1.1 billion tons of food, feed and fuel commodities over the next decade. This translates into a need for an additional 140 million hectares of agricultural land or a 30 percent yield increase. Higher demand for agricultural commodities will be mainly met by yield improvement and, to some extent, by new land in cultivation, such as in the FSU and South America.

The fundamentals underlying demand and growth in agriculture remain. Populations are increasing. Incomes are increasing, primarily in the emerging markets. Meat and dairy consumption is increasing,

and that has a multiplier effect on feed commodities. Continued use of bio fuels also drives need for food commodities.

Global food imbalances have not disappeared, though pressure has been released by falling prices and overshadowed by the financial crisis. In the short term, economic nationalization could stoke protectionism and impact trade, putting upward pressure on commodity prices.

Industry consolidation will increase globally. Asian players will become more active in expanding asset bases outside of home markets. Balancing the key fundamentals driving demand among food, energy and the environment will continue to shape modern agriculture.

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Sustainable Practices for Agricultural Growth

Mr. Hans Joehr, Head of Corporate Agriculture, Nestle

We are in business because we serve people and consumers. There are more people in urban areas who have high demand for processed and storable food. We see a direct correlation between oil prices and feed and milk prices. When oil prices are up, input costs for farmers go up. These spikes will probably continue. We expect more volatility in pricing and higher demand.

Worldwide, total spending is US\$12 billion of which 8 billion comes from emerging and developing countries. If we are growing in emerging or developing countries, we need to have a strategy. We have a direct procurement system where we interact with almost 600,000 farmers.



We operate with a simple structure. Our business framework is to create shared value.

KEY OBJECTIVES:

- Develop farmers and suppliers to build capacity for growth
- Secure availability of adequate agricultural raw materials
- Ensure safety and quality of

raw materials

- Eliminate inefficiencies and non-added value in direct procurement operations to reduce cost in a continuous way

To achieve these goals, we have critical control costs, implementing sustainable agriculture to impact:

- Food safety
- Quality assurance
- Farm income generation
- Crop and yield improvements
- Cost improvements
- Animal health
- Transport
- Water use and irrigation

We need to help farmers improve their earnings and increase their skills, while providing job stability, higher quality of life and economic and social development.

We team up with many companies. If you are alone, you can't provide a better product.

CASE STUDY:

More than 600,000 farmers have been helped in milk districts in India, Pakistan, China, Morocco, Brazil, Chile, Colombia, Mexico, Indonesia and other countries. We've worked to improve livestock through genetics, feeding, management skills, etc. The results are advances in milk quality, quantity and safety.

The long-term supply of quality products is a must and offers product differentiation opportunities.

Examples:

- **Nespresso – AAA program**
Creating a direct sourcing platform of green coffee beans for the best coffee vari-

eties with high quality standards, relevant to consumer expectations

- **Mövenpick – Creation**
Leveraging geographical origin; specialty ingredients for premium brand generation
- **Häagen Dazs – Honey Bee**
Building brand loyalty and purchasing impulse by creating link to agriculture to support bee disease research

We can make consumers aware that you can't always have a cheap price. Good food needs its price. It is not the consumer that looks for a cheap price, but what retailers want. Sustainable sourcing practices are accepted by business research institutions and schools as the way to move forward in sustainable businesses.

We fully recognize that working together with partners of a similar mindset is the way forward. We have been working with many companies. We tackle mainstream agriculture competitively. We have about 25 members and are open to more. Our platform is agriculture and involves stakeholders in the value chain.

World food demand could double by 2050. The environmentally sustainable alternative is to double productivity on the fertile, non-eroding soils already in crop production.

We need to ensure safety, regulatory compliance and quality through all stages of the food chain. Industries should work together on challenges. The goal is affordable nutritious food for all. Training is key.

Take Away Insights from Roundtable Discussion

"An organization like UNDP is composed of individuals like each of our companies or institutions we serve. With some institutions you can work with several individuals and within the same institution in other countries you can simply not do it because there is no match."

"There is a differentiated price to quality milk or milk of less quality, and the region where they are where they have more transport costs. There is a whole set of pricing systems."

"We are exposed a tremendous proliferation of this private standard and private label certification and verification schemes."


"Long term isn't looking into what the stock market is doing on your shares. Long term is looking into if you have a robust business model."

"If we look back to 20 years ago, development banks, agricultural ministries, etc had in their budget extension services. This money is not spent anymore because it has vanished off all the budgets. I think we have to take it back on our budgets and once we have it we then have to go forward and find the right people to re-establish these extension services because we have lost a lot of these confidences."

"The most important thing is to make sure that farmers get a fair margin."

Integration or Non-integration: What is the Way Forward?

Dr. Ajva Taulananda, Vice Chairman, Charoen Pokphand Group



Thailand is the number four exporter of chicken meat after Brazil, the US and EU. We export 400,000 tons a year with a value of US\$1.5 billion. We have 1,000 chickens per house. There is an efficient feed conversion ratio (1.8) and we have modern contract farming systems with automated feeding systems. We have an automatic control system. We also have an animal welfare system in accordance with the European standard. Chicken is the cheapest source of protein. Only 40 years ago, poultry was only available to the rich and wealthy. Others only ate chicken once a year during Chinese New Year. This was due to a struggling poultry industry and a struggling infrastructure.

CP expanded its market by helping farmers feed more chickens. CP imported poultry from the Philippines and the US. We use contract farming. We offer disease control and animal husbandry. CP has to find credit from banks and guarantee price buy back. We even guarantee income to farmers. In 1975, two farmers in the Sriracha district started building a chicken farm and enjoyed a good, stable income. Poultry was able to expand into an integrated system. It allows our company to export frozen chicken to Japan.

People consume chicken at a reasonable price which provides farmers with good income and a decent life. We dream to be a kitchen of the world. We have invested in poultry integration systems such as China, Indonesia, Turkey and Russia. We've also implemented the integration system with shrimp, corn, rice and cows. This can also be applied to other crops such as the sugar industry or canned pineapple. It is suitable for

businesses that have connected the value chain. It is good for emerging economies where farmers need technology, money, capital and marketing. They need somebody to organize and manage these needs for farmers.

An alternative way is for farmers to form a cooperative. It has happened in Europe, Japan and Taiwan where farmers have more knowledge. We lack logistics and shipping distribution. There are certain stages in the chain such as processing and marketing that need improvement. Important factors are also government understanding in promoting this industry. The private sector is the monopoly in this market. Integration is not the only solution to combat food security around the world. For example, there are farmers who cannot be a part of this integration due to their remote location. Those farmers need non-integration.

According to the self-sufficiency philosophy initiated by our King, we should use 30 percent of land for reservoir, 30 percent for growing rice, 30 percent for orchid plantation and 10 percent for building houses or raising animals. They can trade within the community. They don't need to rely on the market. There are numerous communities like this in Thailand. They have good community leaders. Within these groups of farmers who operate at a subsistence level, CP has organized initiatives such as the farm village to diversify different activities from fish, rice, chicken or orchids.

There are a third group of farmers with no land who have development needs. We initiated an agriculture project whereby they can increase

their income and their children can go to school. We call this the model village. We give each family about 10 acres and they can grow crops and raise 30 cows or pigs. CP has to guarantee minimum income for farmers which sometimes runs as much as 3,000 per month. After 10 years, participating farmers own the

land and are free to organize their own farm where they can earn 50,000 baht a month.

To tackle the issues of food security and poverty, there is no one-size-fits-all solution. We need a variety of solutions from integration to non-integration depending on the situation.

Take Away Insights from Roundtable Discussion:

“We have to think how the farmers and every party would benefit. We have to consider their families and also the company benefits. Marketing demand is also important. Because of this, the farmers are better off and expand their business. Contract farming is for farmers that produce chicken meat for majority of the people. However, people decide to have the backyard system which is more of a delicacy. This can supply to the need of the consumer.”

“Regarding the environmental impact or footprint on poultry and swine operations in terms of waste management, we use methane gas to generate electricity which saves 40 percent in energy. When the waste is fermented, we can also use it as fertilizer. We use safe energies. In some models, we even go further by using the water from the bio-gas tank to irrigate crops. This water is recycled back to the pig farm. We never let the waste water into the sea or into the open. All items are recycled back to the farm. This doesn't have a negative impact on the environment.”

“All traders aren't bad but there are some negative experiences in developing countries. Some traders want to take advantage of farmers. They don't take responsibility. It has happened in the past because farmers feel that traders are the enemy. That's why trust between farmers and business people is important.”

“Sometime farmers can cheat traders as well. In agriculture you have to think of long term, it is not just one deal. You have to be partner. Trust is a major thing. The system that we design is that we calculate in such a way that farmers get enough income so that they don't dare to shift. It is not 50% or 100% more but what they need in their daily living with decent life.”

“Regarding the bird flu we had a couple of years ago, that affected the whole industry but mainly the backyard chicken and the small farmers. The government had to kill a lot of birds during that time. Interestingly enough, during that same time people went back to buy chicken from [us] CP, because they believed that our chicken was disease free. That's the kind of confidence people have. Now, the government has regulations that all the farms meet approval from the various veterinary departments.”

“There are certain things we realize we cannot do well. If we want to raise our own chickens we need employees to look after them. This is something that farmers can do better. It doesn't mean that we can do everything.”

“We have good extension officers to train farmers. The officers will teach them how to manage disease and exchange information.”

“Demand in the future will increase not only in terms of growing population but improvement of their livelihood. That means demand for protein will also increase. Those demands are not just for food. The opportunity is for energy as well. I do feel that in certain areas like SEA, there is good opportunity to increase productivity.”

“The problem is only a matter to overcome. When there are problems, you have to overcome them.”

Global Strategic Sourcing: Impact to Agricultural Sector

Richard B. Landis, Vice President, Strategic Global Purchasing, Keystone foods

KEYSTONE FOODS & SOURCING

Keystone Foods is a global manufacturer of protein products and a custom food service distributor operating 55 facilities in 14 countries in the US, Europe/Middle East, Asia Pacific, UK and Australia. They process more than 1.6 billion pounds of poultry and 388 million pounds of beef annually and supply more than 30,000 restaurants worldwide.

Beef purchasing utilizes a consolidated low cost/best value flexible purchasing methodology.

Direct relationships are maintained with packers to drive industry best practices.

Innovation and partnering alliances are maintained to enhance raw material values of quality, competitive, stable and predictable attributes. Purchasing systems are in place to provide leveraged raw material supplies and logistics on a global basis. Competitiveness and value are keys.

BUSINESS STRATEGIES:

Low-cost strategy is important and includes producing the lowest cost per unit as compared to competitors and reducing production and marketing costs. That can include transition of frozen retail ground beef, fresh keeper casings and modified atmospheric packaging, direct from convertor to retailer.

Differentiation strategies such as the Certified Angus Beef program are also important because they command a premium. It's necessary to have a focused strategy to provide a differentiated product to a niche market.

Most ranchers and farmers tend to have a low-cost strategy. Typically they produce the product and take the market price. However, that causes value declines in total beef quality attributes. It also results in inconsistent tenderness, inconsistent carcass weights and inconsistent overall total quality attributes. A low-cost strategy in a crowded marketplace equates to a commodity that is pushed through the value chain and tends to meet only the minimum of value chain expectations.

Finished Cost versus First Cost

- Finished cost
- On-time delivery
- Exceeds quality expectations
- Exceeds value expectation
- High packaging values
- High brand credibility

Input purchasing costs are higher, but the operational costs cause a lower finished output cost.

Transparent KPI management and favorable behaviors impact the entire agricultural sector.

First cost

- Late delivery
- Meets quality expectations
- Average value expectation
- Low packaging values
- Low brand credibility

Input purchasing costs are lower, but the operational costs cause a higher finished output cost.

STRATEGIC POSITIONING

The producer needs to produce products that the consumer will use, while processors need to convert that product into a form to attract the consumer. Sometimes people don't know what they want to have

for dinner. That's when designing a product comes into play and value is added to the entire chain.

Global purchasing strategies are complex and varied across cultural and economic global zones. Advancement of strategic alliances and commodity organizations are needed to respond to the challenge of feeding 9 billion people.

That requires multiple approaches in the marketing chain. Perception comes with reality. We also need to move toward education. Anger comes from lack of understanding about food chain. Traceability sells. Traceability is important because the consumer wants to understand where their beef comes from.

Full traceability is the goal but we have not achieved that in every country. In some countries such as Australia, we have full traceability. In others we do not. In the US we would like government to mandate traceability, but they don't at this point. McDonald's and Keystone foods try to provide information to consumers at their own expense. It is all about confidence.

We need people to grow crops, and we need people to grow food. Every segment has to have profit. Finding a balance is finding a way for everybody to live profitably and have food to eat.

Take Away Insights from Roundtable Discussion:

"The clear thing is that we are lacking information. We have seen a surge of information come from the producer group. We need to educate consumers. It comes from cow not the refrigerator. Anger comes from lack of understanding about the food chain. You cannot correct everybody but there will be some people who can understand."

"I believe without mandating in the United States you will never have traceability. Traceability sells."

"It's not about the price, it's about the margin. If you beat the guy in the chain on price, what have you gained? You have to look at your entire chain and look for value. Industry is changing to alliance. We need to have core competencies. Although we know how to make hamburger, it is not going to make us an expert on raising cows. What is the contribution of value on the way through and find out how you can add to that."

"We're only one small part of a bigger picture. My view is balancing that bottom line is finding value throughout the supply chain so everyone can live. That doesn't mean everybody's going to get rich, it means everybody's going to live."

Food Safety Certification: Part of the Solution or Part of the Problem

Peter Bracher, Managing Director, CMI

A LITTLE BIT OF HISTORY OF CMI – THE 1990S

In the early 1990s supermarket companies were developing private label ranges to drive profitability and growth. Major retailers such as Tesco, Carrefour, Casino and Sainsbury's were selling more fresh fruit and vegetables and sourcing more from overseas. Companies did not own branded product even though the margin of private label could be double that of branded products. Not much was spent on marketing.

You can increase your margin and reduce prices. In India, there is a low-margin economy. The only way is to make your own brand. Food safety legislation is being revised in Europe using the concepts of due diligence and reasonable care. You have to prove that you take reasonable precaution and exercise due diligence to show that food is safe. Private food safety auditors start to descend on unsuspecting manufacturers and producers, so multiple retailer-specific standards flourish.

THE SOLUTION

Industry bodies in the UK British retail consortium work with the retailers to develop a single standard for food safety assurance systems. If we merge the Tesco standard with others, you have one audit and you get a certificate to show all retailers. It is quite a tough standard. It includes review of the management system, hazardous process and full traceability. However, the advantage is that retailers agree to accept certification of these systems as an alternative to sending their own inspectors. The result is improved efficiencies in cost savings throughout the food

supply chain. Standards are driven up. Customers are protected.

Multiple certification standards were developed in different countries. Each country has its own standard. We have BRC standard. We have ISO, IFS and SQF for Australia. There is a global gap for producers. The growing trend for international sourcing of agricultural produce resulted in producers needing multiple certifications, and the certification owners raise the standards every couple of years. The sophistication of management systems increases.

COMPLEXITY INCREASES AND COSTS INCREASE

For large producers, complex management systems increase fixed costs. The need for additional schemes increases the cost of entry to new markets and cost increases are passed on to the retailers who throw them back at the suppliers. The customer pays in the end.

For SME Producers, market entry costs spiral upward. The lack of internal resources leads to the use of external consultants. And low cost generalist quality engineering consultants add complexity due to a lack of understanding of the food industry.

RECENT HISTORY

The problem has been exacerbated in recent months with the world banking system collapse.

China exports fell 17 percent. Thai rice exports fell 20 percent. As a result, credit to farmers has dried up. In order to buy seed for next year's crops, they need money. The last thing small farmers need to do is to hire somebody to do certifica-

tion for them. The funds to invest in certification to develop export business are no longer available.

The current economic downturn is a temporary glitch created by a failure to control financial institutions, but it masks a real, long-term and probably irreversible change in the fundamentals. Global warming is increasing - causing droughts and floods in major growing areas while populations are growing. Deforestation to create agricultural land will no longer be practical so food supplies will be challenged.

There will be 9 billion people in the world that we will need to try to feed. Where is this food going

to come from? Major cooperative farms cannot provide foods. The area that used to work is no longer available. Small farms are inefficient by nature. What is next?

SOLUTIONS

Under-developed food producers and small farmers can fill the food gap by improving efficiency. If you signed GFS, you said you will accept any certification and if you achieve one, you deem to achieve all. The idea is convergence. International certification schemes can create a barrier to market entry, but the GFSI scheme will help. Convergence and simplification are the longer-term answers.

Take Away Insights from Roundtable Discussion:

"We have so many certification requirements for our products produced in India, US, EU or other countries that want separate certification. A different certification is not good. A global standard should be put in place."

"Some governments may feel uncomfortable with food regulatory. Food market crosses national boundary. National scheme can help local supply to achieve core element of international certification thus adding more benefit."

"If you look at what's actually required by each of the schemes, it's remarkably consistent. There is bone little in any of the schemes that a good business wouldn't already want to do in order to protect customers."

"One very impressive aspect of the Chinese government is if they see a problem they'll come up with strong legislation in order to cover it."

"In the future the certification industry is going to just focus on the most reputable, internationally accepted certificates. I think the rest will be seen as having very little value."

"Ethical auditing: where businesses, the retailers, make claims about sustainability ethics of their business. I've been talking to some of the retailers and we're beginning to get some traction, but perhaps ethical auditing should be two way."

"If someone has invested time and money to develop a process specifically to meet a retailer's requirements then there should be some commitment as to how long they're going to be supplying. It's an imperfect system, but in the end the customer benefits."

"The more traceability you have the more responsible you are. It is great business protection. It is essential to protect your own business."

Financing the Agribusiness Value Chain in Turbulent Times

Mr. Vipul Prakash, Senior Manager, IFC agribusiness department



IFC is a member of the World Bank Group. There are four parts to the World Bank group. It is a private sector. It acts like a commercial bank and an investment bank. IFC cannot accept any government guarantee. We have \$75 billion in our own financing and \$30 billion syndicated for 4,000 companies in 142 countries since 1956. As part of our work, we focus on promoting sustainability, corporate governance similar to any other MNC. We have a nice balance in regional investment.

WORLD BANK GROUP GOAL: US\$6 BILLION IN AGRISector COMMITMENTS

We reached 760 million last year with a \$2.7 billion committed portfolio as of June 30, 2008 (includes syndications). By region and by sector, the three dominant areas are livestock, processing and sugar. Our role starts from farm to folk. Trade finance and short-term working capital financing is what we focus on. We need to examine all aspects and realize the role of retail to ensure better access to the market for our client.

We must be the catalyst for change and transformation. We deliver on that by offering technical assistance and advice, optimizing investment, coordinating efforts and leveraging resources among partners. Water scarcity will become a major constraint on agribusiness globally. We will start water footprint mapping. Other issues such as climate change are occurring.

The tight credit situation constrains agricultural credit, access to inputs and international trade and the food supply is expected to drop next season. We

expect a drop in global demand in the short term, deleveraging of investment funds and a recovery in the US dollar as a result of a general fall in commodity prices and freight rates.

Long-term fundamentals remain favorable for agribusiness because the global food supply will be chal-

Agribusiness Strategy: Short-Term Adjustments:

- Optimize Agribusiness portfolio mix (short term, medium term, quasi-equity and equity) to reflect current and future potential IFC capital constraints.
- Building/rebuilding relationships with top tier companies.
- Risk sharing with Banks to leverage IFC capital.
- Focus on Short Term Facilities to finance working capital intensive global and regional food supply chain players.
- Quasi Equity / Equity Opportunities.

Agribusiness Strategy: Medium and Long-Term:

- Disciplined growth to meet IFC's Corporate objectives and WBG goal of \$6 billion in Agri sector commitments.
- Broaden the range of instruments to respond to clients' needs.
- Wholesale Short Term finance facilities through existing platforms (IFC and other financial institutions).
- Increasing Focus on Africa, IDA and Small Countries
- Sustainability
- Integrating Advisory Services and Investments

lenged to meet increasing demand. Sustainability issues in agriculture remain at the forefront of public concerns. Most Agri-commodity prices remain above their long-term trend and are expected to adjust in the long run. Input cost variations and unexpected weather-related shocks will induce volatility. Oil price variations will remain an important determinant of soft

commodity prices, production costs and margins. Weakened financials and lower valuations will provide significant consolidation opportunities, particularly in sectors that have expanded fastest in recent years (e.g. sugar/ethanol in Brazil, meat in Russia, etc.) We have stayed away in financing bio-fuel. This will continue to be our stand.

Take Away Insights from Roundtable Discussion:

"We have financed agriculture business but I'd have to say with limited success. We are open, but I think with some degree of skepticism. As part of trying to reach out to small farmers, they are always welcomed and we help on capacity building as well."

"Right now, there are schemes that have been put into place to help farmers access, for example, fertilizers and the government is subsidizing them. If it means a higher price initially, I think to work and design some schemes or to make financing available will improve the uptake of new technology. That will be something that we would be certainly willing to push."

"There is an equator of principle. Banks protect their reputation and make sure whoever they support is applying the right environmental standard. A reputation is all a banker really has. And without a reputation, your bank suffers greatly and may even go bankrupt. That's what we're seeing in the crisis here, and that's why it's definitely on top of the agenda for any sensible bank."


"Old feeding habits can be changed. But if we need, we'll have to feed nine billion people in a couple of decade's time, then eating habits will have to change. And they will change depending on money."

"How are we going to address food security? Increase productivity? Easy question, but the hard answer is how to do that. Water will have a bigger impact. Water will determine who can grow what and where. Asia is not a sustainable agriculture production system. Rice is consuming more water. There is a lot of room for production to become more productive in terms of using water and nutrients."

"Financing is the biggest problem in developing countries. We should have good cooperation between banks and governments. We need to work together. One clear message is that we need more partners to bring efficiency."

Risk Management in New Circumstances

Mr. Tao Xu, CEO Liuhe



Risk management in new circumstances involves the international financial crisis. In 2008, the export and import comprised 60 percent to 70 percent of GDP in China. In that same year, the global economic downturn lowered the international trading amount of China. And that situation hits export-oriented companies and the whole industrial chain. Falling employee income lowers the general consumption capacity. All these factors form an influence loop that will affect the Chinese economy.

China is export oriented so the whole industry was impacted. Pork prices in the market have dropped by 30 percent now. We have to focus on the macro economy. The Chinese government is transitioning from export to domestic oriented. We have 1.3 billion people and 0.9 billion in up country. How to initiate their consumption is a big issue for us. From 2003 to 2007, we can see that the income of the agricultural population increased. How can we increase it much more? China's government has quick reactions to a crisis. We have government funding of 4,000 billion. This is the time when no one wants to spend money but the government is spending money. Steel prices are stable and will pick up a little bit. Can we stay like this for long term? For a company like us and the new company, we grew only 15 years. The economy will not go away easily. We will have to find opportunity during this economic downturn.

“Benefits” from the down turn

- Adjustment to work ethics.
- Management attention will be back on some necessary factors, which were easily

- ignored in prosperous times.
- More innovation.
- Reconsidering the cost – fully utilize even the last drop of water in your bottle.
- Performance-oriented management.
- Target-oriented management.

CHINESE AGRICULTURE IN 2008

In 2008, the global grain production was estimated to be 2.27 billion Mt, in which China contributed 0.53 billion Mt. Chinese feed production in 2008 is estimated to be 131 million Mt. The production has been more than 100 million Mt for four years in a row. In 2008, production of meat, eggs and milk in China is estimated to be ranked respectively at number one, number one and number three in the world.

Risk management is a wide topic. We need to take everything into consideration. There are eight risks we have to consider.

- Strategy risks
- Credit risks
- Liquidity risks
- Operational risks
- Legal risks
- Accounting risks
- Information risks
- Market risks

The winter of the world economy is not the only time to sharpen management skills, it can also be time to develop. We believe that if there is no competing in winter, there will be no opportunity in spring. It is certain that you must have enough power to compete in winter.

We believe LIUHE will grow in the financial crisis. Brand value and distribution channels are the base of growth. Even amid this crisis

where market value is shrinking, companies competing in the industry are also growing fewer. GDP keeps stable growth in China.

To stop developing is more risky than to keep on developing. LIUHE refuses to move back after stepping onto a higher level. Additionally, to keep on developing is already a career notion of every employee.

The LIUHE team has special characteristics. During bad times, we have to control our costs. We are manufacturers of poultry meat. The topic is how to feed more people. For us, duck meat is the big part of our production. In China, meat consumption is not increasing, but poultry is increasing a little bit.

The LIUHE Group mainly expanded by developing joint ventures. There are 115 joint ventures out of 152 feed mills and slaughter firms. In China, our strategy is to take a lead in the area. We have a market share of more than 50 percent. Our goal in China is to be a global leading business enterprise. As for food safety, 84 percent of consumers care about food safety. They don't believe the food industry anymore, and 59 percent don't trust the store

where they purchase the food. In the fresh meat and fish area, almost 80 percent of people have concerns. We want to continue a safety program but the question becomes how to strike a balance between safety and cost. The most popular way is traceability.

INTERNATIONAL FOOD SAFETY STANDARDS - HACCP / GMP / ISO9000

Both HACCP and GMP are focusing on controlling the processing sector. AFIA built the International Safe Feed/Safe Food Alliance. The agreement between AFIA and FEFANA, the Feed Additives and Premixtures Association of the EU, is that they will facilitate US trade with European feed and ingredient customers.

Market risk and raw material cost risks take at least 30 percent of our total costs. We can see corn and soybean prices increase. The trend is the same in the global market. We are concerned about purchasing price. GDP has dropped, and it is reasonable for us to import. We have to focus on the future. China still has space to move up.

Take Away Insights from Roundtable Discussion:

"In regards to this difficult time, in every country, government becomes an additional risk. However, after the crisis, I think the Chinese government will be quicker to help. I think Chinese government is better than any other government. We have a powerful policy and it will effect distribution of resources."

"China is increasing, we all can see that. With support from the government we can lower rates from loans and lower the conditions of credit issued by banks."

"How to push people to spend money is a big challenge. It cannot be done overnight. When the economy gets worse people save money more. They don't want to spend money. It's not that they don't have money; they just worry about the future and want to save it. This is a big problem for us."

"In many Asian countries where they are moving up, there is bias against agriculture."

"When you work with others, you can create win-win scenarios and profit from each other. Management believes that we can have good decisions if we give more shares to a partner who can make good profit."

"China is fast growing but is still facing a commercial crisis. The country has to keep developing and turning to be domestically oriented. We focus on domestic because we see where the main market is. We do what we can do and something we cannot do we share with others."

Closing Remarks

Mr. Thad Simons, President and CEO, Novus International Inc.

CLOSING REMARKS

In closing, the goal to come here is collaboration. How can we bring issues to the World Congress? Nothing can replace your own personal passion. It is an issue for us all over the world. We saw some beautiful examples here. There are things that can be done from a small level to sophisticated consumers. We need to work to find synergy. We have a banking opportunity. We should be able to find a way to provide financing. I am confident that technology is going to be there. There is potential to improve animal production. We are missing in the extension area. We have to train the trainer. We need to find things we could be doing better. Your voice needs to be heard.

WHAT THE FUTURE BRINGS

A large purpose of this event has been to pull forward Insights from leaders of the agriculture industry in this dynamic region of the world. These Insights can serve to help others to understand the agriculture industry in Asia. Additionally, the knowledge we share can be transferrable to other parts of the world. The next steps we will take will be to compile and publish our collective Insights into a document which can be shared with others in our industry at the World Congress in St. Louis, Missouri, May 18th-20th.

What we have established over these two days, a regional Roundtable model, will serve as a blueprint for agricultural leaders in other parts of the world. Imagine if leaders begin to meet in Africa, South America, Europe, and other areas, sharing their ideas and discussing their challenges. Our collective Insights will begin to grow exponentially, we can utilize this platform to improve and elevate our industry.

This last year has been challenging for all of us, tempered by Global economic difficulties. We have spoken honestly, as a group, about:

Challenges which we may face for sometime to come:

- Financing—where will the money come from to grow the food that will feed the world in the future.
- Meeting the food demands of an exploding world population.

And Hopeful Trends and Opportunities for Agriculture:


- Organizations are beginning to embrace the requirement for sustainable practices in agriculture, not just as a buzz word, but as a reality they are building into their long-term business processes.
- Creating a synergistic value chain from the small farm level all the way to consumer.

Some of the earliest recorded history of agriculture in this beautiful country of Thailand can be traced to rice domestication in the Korat plateau in 4000 BC. Today agriculture in Thailand and many other areas of Asia is a diverse and rapidly growing industry. Much of the growth is driven by an explosion of population and a growing middle class.

The food supply required to feed the world in the next 40 years will equal that which has already been produced throughout the history of mankind. This will strain and test the food chain from field to fork. For this reason our dialogue is valuable and necessary. Meeting the world's future demand for food can only be achieved with a collective effort.



The World Agricultural Forum History



The World Agricultural Forum (WAF) is the world's only policy neutral and internationally inclusive agriculture-driven forum. Of the 193 countries in the world, the WAF has attracted participation from 110 countries to World Congresses since 1998. Governments, NGOs, private and public businesses and universities have represented countries in Africa, Europe, the Americas, Micronesia, the Pacific Rim, Asia, Oceania and the Indian subcontinent. It is the goal of the WAF to obtain participation and interest to participate from 50 additional countries in the next five years.

The Advisory Board to the WAF consists of representatives from various agriculture backgrounds in 16 countries including New Zealand, China, India, Morocco, Columbia, the United States, Italy, Costa Rica, Argentina, Brazil, Belgium, Switzerland, Malaysia, Indonesia, Germany and France.

No other organization on earth attracts opposing views of global agriculture on an equal platform for the discussion and creation of change. Influential speakers and participants throughout the past five World Congresses have shared their agendas and perspectives among their peers. This remarkable list includes heads of state, policy makers, corporate leaders, academia, economists and media from all aspects of the agriculture value chain.

In ten years, the WAF has convened more than 20 ministers and secretaries of agriculture from around the world and several have participated in more than one Congress. Other repeat participants or speakers include Dr. Norman Borlaug, the World Bank, W.K. Kellogg Foundation, Monsanto, Tyson, D1 Oils, Nestle, Corporate Council on Africa, International Food and Policy Research Institute, The World Food Prize, Partnership to End Hunger in Africa, United Nations, Food and Agriculture Organization, European Union, U.S. Congress, U.S. Senate, U.S. Secretaries of Agriculture, OXFAM America, World Wildlife Fund, World Trade Organization, Earth University in Costa Rica, Michigan State University and Washington University.

The WAF has been at the forefront of pressing issues in agriculture, bringing controversial topics to the table such as the ever-growing food vs. fuel debate, food safety and security, agricultural sustainability, investments in agribusiness, natural resource management, impact of free trade agreements, technology and biotechnology acceptance, increasing demands and decreasing availability of fresh water, examples and advancements in bioenergy, agriculture mitigating climate change, and linking smallholder farmers to effective and equitable markets.

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LIUHE Group Co. Ltd. (www.liuheco.com) was founded in 1995, mainly engaged in the industries of feed manufacturing, meat processing, animal breeding, veterinary drug, biology products, etc. In 2008, the group produced 7.48 million tons of feed; processed 1.05 million tons of poultry meat and produced 135 million breeding poultry. The brand "LIUHE" of poultry feed and aquatic feed has been appraised as the Chinese brand named products successively, and the "LIUHE" brand has been honored with the Chinese famous trademark. LIUHE Group has been awarded the honored titles of "National Leading Enterprise in Agriculture Industrialization," "Top 500 Enterprise in China," "Enterprise of National Food Safety," etc.

Event Speakers

PETER BRACHER

Managing Director, **NSF-CMi**

Peter is based at the Asia head office of NSF-CMi, the leading food safety assurance company, where he is the MD for NSF-CMi Asia-Pacific. Peter's early experience was working as a government Environmental Health Officer in the UK before moving to Tesco, the UK based supermarket retailer, to head up their food safety division. Whilst at Tesco, Peter moved to an operational role where he was responsible for new store opening, and then to an international role where he set up Tesco's government affairs teams throughout Asia and Central Europe. Peter then moved to ASDA Stores Ltd, part of the US retailer Wal-Mart, as the Director responsible for government affairs and regulation, where he managed the teams responsible for food safety, PR, government affairs and environmental management. In a bid to escape the British winter, Peter moved to India and joined Reliance Industries where he helped to set up Reliance Retail and supported the opening of over 650 supermarkets in under two years.

RT HON JAMES B. BOLGER

Chairman, **World Agricultural Forum**

RT Hon James B. Bolger serves as the Chairman of the World Agricultural Forum's Advisory Board. He sets the direction and agenda for the World Congresses. He also identifies potential speakers and participants for the Congress.

Bolger was the Prime Minister of New Zealand from 1990 to 1997. He led the New Zealand National Party for almost 12 years and served three consecutive terms as the head of government.

Since 1998, Bolger has worked to enhance and expand US/NZ relations across a broad range of fronts including trade, investment, economic and defense policy as New Zealand's Ambassador to the United States.

In New Zealand, Bolger previously held numerous political titles including New Zealand's first Minister of Fisheries, Associate Minister of Agriculture, Minister of Labor, Minister of Immigration, and the Minister of Foreign Affairs and Trade.

Bolger chaired the Commonwealth Heads of Government meeting in 1995 and represented New Zealand at each of the five Asia Pacific Economic Cooperation (APEC) Leader's Summits.

In 1983, he became the President of the International Labor Organization. Bolger was elected Deputy Leader of the Opposition in 1984 and in 1986 became Leader of the National Party and Leader of the Opposition.

Bolger was a beef and sheep farmer who was active in farming organizations before entering national politics in 1972 when he was elected Member of Parliament for King County for nine terms.

DR. HARVEY L. GLICK

Senior Director, Scientific Affairs – Asia, **Monsanto**

Dr. Glick has been actively involved in agriculture research and development for over 30 years. He studied agronomy at McGill University in Montreal where he received a Bachelor of Science in Agriculture. He obtained his Masters degree in plant physiology at the University of Manitoba and received his Ph D at the University of Manitoba on a full scholarship in the area of plant physiology and biology. He has also completed an executive business management program at the University of Western Ontario.

After completing his formal education he joined the Canadian Wheat Board, an organization involved in international grain marketing. In 1985, after three years with the Wheat Board, he joined Monsanto as it was beginning to develop crop biotechnology programs.

Over the past 25 years at Monsanto, Harvey has lived and worked in Canada, Belgium and the US and currently is based in Singapore. He has held a variety of positions in the technology, commercial development and marketing organizations. He has been fortunate to visit and work in agricultural production systems in many different regions of the world with the objective of bringing new agricultural technology to producers. He helped introduce the first biotech crop in Canada, Roundup Ready canola, in 1995 and has been actively involved in the development of biotech crops for Europe, Asia and the Americas. Currently he is Senior Director of Scientific Affairs for Asia and is directly involved in bringing the next generation of plant biotechnology products to farmers around the world. He is a frequent speaker at conferences focused on agricultural biotechnology and sustainable food production systems. He is a board member on the Asia Food Information Council and chairman of the Global Herbicide Resistance Committee. He is also active in CropLife Asia and the International Life Science Organization in South East Asia.

JAN LAMBREGTS

Head of Research, Asia, **Rabobank**

Mr Lambregts joined Rabobank Asia in 2002 as Head of Research, Asia. He is responsible for keeping track of major developments in the Asian region, with a particular focus on Japan and China.

He writes various daily, monthly and quarterly economic research publications for internal and external customers. In addition, he provides support to sales, trading, structuring and management with his comments and analysis on market events. He gives regular internal and external presentations and does client visits. He also helps to heighten the bank's profile through regular media appearances.

Mr. Lambregts is a cum laude graduate of Tilburg University in the Netherlands and holds a Master's degree in micro/macro economics, with further specializations in finance and international trade. His Master's thesis focused on price dispersion and price discrimination strategies in online markets.

Prior to his postings in Singapore and Hong Kong, Mr. Lambregts worked at Rabobank HQ in Utrecht, covering the US, Japan and UK in the macro economic team of the Economic Research department.

THAD W. SIMONS, JR.

President and Chief Executive Officer, **Novus International, Inc.**

Thad W. Simons, Jr. is President and Chief Executive Officer of Novus International, Inc. He has responsibility for overall company management and strategic planning functions.

Novus is a privately held company headquartered in St. Louis, Missouri owned by Mitsui & Co., Ltd and Nippon Soda Ltd. Since March 2001, Mr. Simons has led Novus in its growth into a global animal health and nutrition company with sales exceeding US \$600M.

A native of Augusta, Georgia, Mr. Simons received a Juris Doctorate from the University of Georgia in 1977. He received the C.R.B. fellowship from Belgian American Educational Foundation 1979-1980. While a C.R.B. Fellow, Mr. Simons obtained an LL.M. degree at Vrije Universiteit Brussel, 1978 (magna cum laude). He completed his education as a Jervy Fellow from 1978 to 1980 at the Parker School of Foreign Law of Columbia University during which time he was awarded an LL.M degree from Columbia and a Diplôme d'Etudes Approfondies from the Université de Paris I.

Mr. Simons' career began with Dechert Price & Rhoads, a leading law firm in Philadelphia, PA in 1980. He was assigned to Dechert's Brussels, Belgium office in 1981. He joined Monsanto Company's legal staff in Brussels in 1984 and was assigned to Monsanto's headquarters in St. Louis in 1988.

Mr. Simons joined Novus as general counsel in July 1991. In September 1993, Mr. Simons was asked to head the human resources function. In November 1995, Mr. Simons became responsible for business development and successfully led a number of new business initiatives.

Mr. Simons is on the Board of Directors for the National Chicken Council, the Japan America Society of St. Louis and a member of the Advisory Board of the Boeing Institute of International Business of the St. Louis University School of Business. Mr. Simons is a former Board member of the World Affairs Council St. Louis and the World Agricultural Forum. He is a member of the Missouri and Georgia Bars, the American Bar Association and Licensing Executives Society.

In 2001 he was recognized as the International Businessperson of the Year by the World Trade Center of St. Louis. In 2007 he was presented the

International Visionary Award by the Boeing Institute of International Business at St. Louis University.

MR. TAO XU

President, **LIUHE Group**

Mr. Tao is the president of LIUHE Group (founded in 1993), which is one of the biggest feedstuff producers and poultry meat processors in China. In 2008, LIUHE produced 7.4 million tons of animal feed and 1.05 million tons of poultry meat products. And all these contributed for annual general revenue of 32.2 billion RMB.

Mr. TAO has been in agricultural industry for more than 20 years. From 1989, he worked for Charoen Pokphand Group for eleven years. After joining LIUHE Group in 2000, he had served successively as vice president and president of the group company by managing almost all of the different business departments of the company. Mr. TAO experienced the speedy growth of LIUHE Group. Leading by him, the revenue of LIUHE increased by annually 10 billion RMB for 3 successive years.

HANS JÖHR

Corporate Head of Agriculture, **Nestlé**

Hans Jöhr is the Corporate Head of Agriculture at Nestlé in Vevey, Switzerland. As such, Mr Jöhr is responsible for providing technical and strategic leadership in the groups' world-wide agricultural raw material supply chain. This includes the agricultural policy, the raw material quality control and R&D. Mr Jöhr joined Nestlé in April 2000. Prior to moving to Nestlé, Mr Jöhr served as CEO of AFC Consulting in Brazil engaged in agribusiness & forestry consulting and management.

Mr Jöhr is a member of the Board of IPC (Intl. Policy Council on Agriculture Food and Trade) and a member of the Advisory Council of the Swiss State Secretariat of Economic Affairs (seco). Recently, he became Director of Board of CATIE (Tropical Agricultural Research and Higher Education Center) in Costa Rica. Mr Jöhr is Past-President of IAMA (Intl. Food and Agribusiness Management Association) and past president of the Swiss-Brazilian Chamber of Commerce in São Paulo, Brazil. Mr. Jöhr is a co-founder of the SAI Platform (Sustainable Agriculture Initiative of the food industry) and is the current President.

Mr Jöhr has a formal education in agricultural economics, completed with a doctorate degree in economic science with complementary management programmes at INSEAD (l'Institut Européen d'Administration des Affaires, Fontainebleau, France) and IMD (International Institute for Management Development, Lausanne, Switzerland). Based on further practical experience and a wide range of international business contacts, Mr Jöhr conducts a very hands-on approach to sustainable development.

Active in all facets of agribusiness, and having grown up on a family farm, Mr Jöhr has extensive experience based on several long-term international assignments and additionally has consulted in over 40 countries. He is the author of more than 30 publications in Brazilian and international news-papers. He is married and his hobbies include literature, foreign languages and cultures.

DR. AJVA TAULANANDA

Vice Chairman, **Charoen Pokphand Group**

Dr. Ajva Taulananda is Vice Chairman of Charoen Pokphand Group, one of the largest conglomerates in Thailand, and Vice Chairman of True Corporation Public Company Limited, Thailand's most fully integrated communications solutions provider and one of the country's largest brands.

Dr. Ajva graduated from Chulalongkorn University in Industrial Engineering. He was a Fulbright Scholar and holds a masters degree in industrial engineering from Iowa State University and a Ph.D in Industrial and Systems Engineering from Illinois Institute of Technology.

In 1979 he joined the Government of Thailand, where he was twice appointed Deputy Minister: first in 1979, in the Ministry of Industry and again between 1991 - 1992, in the Ministry of Agriculture and Cooperatives.

From early 1994 to 2000, he was Chairman of Thailand Institute of Scientific and Technological Research, the most renowned government scientific research unit in the country.

Between January 1998 and February 2001 he was Chairman of Bangkok Metropolitan Bank Public Company Limited.

In the year 2000 he was elected as Chairman of the Thai Chamber of commerce and the Board of Trade of Thailand and was reelected in 2002. He completed his term in 2004.

Dr. Ajva is also a member and director of several major Thai institutions for both education and economic development. He is a member of National Economic and Development Board, Member of the Board of National Defence College, Member of Board of Overseers, Illinois Institute of Technology to name a few.

A Thai national, Dr. Ajva strongly supports all pursuits towards environment conservation, as well as youth development, including helping and encouraging the under-privileged and handicapped.

RICHARD LANDIS

Vice President Strategic Global Purchasing, **Keystone Foods, LLC**

Rick was born in Lansdale, PA USA and was raised on a small family farm. Rick began working in his father's butcher shop as early as 9 years old doing part time odd jobs, which included slaughter, deboning, and packaging beef, veal, and lamb products sold by the family business. He began working full time in 1972 in the family business, as well as attending college at night, as an Economics Major.

Rick has held multiple management positions throughout his career within large and small beef processing business alike, including the family business, Campbell Soup Co., Silver Springs Farms, and for the last 20 + years has been with Keystone Foods LLC, the largest beef and poultry protein processing global company for McDonalds.

Rick's career accomplishments include the development of a value management process called point of lean purchasing, the development of an imported beef strategy for the Mcd's North American system, and the global standardization of internal purchasing systems and philosophies.

Rick is currently a member of the McDonald's North American Beef Council representing Keystone Foods LLC, a member of Keystone Foods Asia Pacific Leadership Team, and is currently the Vice-Chairman for the McDonalds Asia Pacific Consortium Board. Rick travels greater than 70% of his time engaging with various McDonald's zone, corporate, and regional personnel, beef & poultry industry suppliers, regulatory agencies, and various other organizations relative to his field.

Rick has received numerous awards some of which include, McDonald's Innovation award for development work of MAC, a Keystone award for strategic initiatives driving low costs, and a Keystone Presidents' award for leading company initiatives and attaining the best ranking among its competitive ranking within the US McDonald's beef system.

MR. VIPUL PRAKASH

Senior Manager, Agribusiness, **International Finance Corporation**

Vipul C. Prakash is Senior Manager for IFC's Agribusiness Department, based in Washington, DC. The Agribusiness Department is focused on supporting investments in private sector companies along the entire agribusiness value chain, from "farm to fork" and has a global exposure of US\$2.0 billion, as of March 2008. As part of its investment work, IFC aims to promote sustainability, corporate governance and corporate social responsibility among its clients.

From 2001-2006, Mr. Prakash was IFC's Regional Manager for South Asia, based in New Delhi, India. Previously Mr. Prakash also served as IFC's Country Manager in the Philippines from 1997-2001. In his 20 years at IFC, he has also worked in IFC's Global Telecommunications Group and in IFC's Latin America Department. He has represented IFC on several Boards around the world and helped design and implement a Corporate Governance Scorecard which was adopted by IFC worldwide to evaluate its investee companies.

Mr. Prakash has an MBA from the University of Maryland, College Park and a B. Tech. from the Indian Institute of Technology, Delhi, India.

TESCO

Tesco is the 3rd largest grocery retailer in the world with 440,000 employees working in 3,728 stores in 14 countries, including: China, Japan, Malaysia, South Korea, and Thailand.

At Tesco, Corporate Responsibility integral to our business is essential in applying our values as a responsible business. We believe it is also an opportunity for growth. Our core purpose is to create value for customers to earn their lifetime loyalty. Our values, which underpin everything we do, are that no-one tries harder for customers and to treat people how we like to be treated. Our Steering Wheel or balanced scorecard gives us the tools to deliver our strategy. As well as customers, we must also consider the impact of our decisions on the community, on our people, on finance and on operations. This therefore ensures that in all the decisions we make we take into account impacts on the community.

