

Danone Ecosystem Fund

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RECYCLING

DISTRIBUTION

CARING SERVICES



SUSTAINABLE AGRICULTURE

FOSTERING THE TRANSITION
TOWARD THE AGRICULTURAL
MODELS OF TOMORROW





Edito



“Let’s take up the challenge together!”

Philippe Bassin

Vice-President Sourcing & Supplier Development
Fresh Dairy Products and Danone Ecosystem Fund
General Manager

In 2012, Danone bought and processed over 7.5 billion liters of milk from over 100,000 farmers across the world.

Sustainable food production is strategic for Danone. Aware of our impact and the stakes of a shared development with our farmers, we have committed to the players of the agricultural world to promoting sustainable, competitive agricultural practices. This is not just a way to protect the environment, but a complete approach which includes four dimensions: economic, social, environmental and nutritional quality of our agricultural ingredients. Our current challenge is to work with every farmer, while respecting territorial diversity and the different sizes of the farms, both large and small.

There are numerous obstacles to this type of change within our organizations as well as in farms: economic costs, workload, force of habit, inappropriate advice and insufficient cooperation between players. This is why practices can only be transformed through a pact between the food industry, territories and farmers. Today, around 50 % of the projects supported by the Danone Ecosystem Fund aim to boost food production through innovative practices. These projects, which are real laboratories for studying obstacles as well as opportunities for change, introduce new and more sustainable models, created jointly with our stakeholders: livestock farmers, technical research institutes, unions, interbranch associations, specialized NGOs, academic world...

They also take into account citizens' expectations, who are becoming increasingly aware of these issues, the impact of their choices and their consumption modes.

This approach, which therefore relies on proper synchronization between the company, its territories and consumer-citizens, is a differentiating factor for Danone and its brands, with the aim of sharing the value created, with the farmers in the long term. Our mission of “bringing health through food to as many people as possible” echoes three major challenges of tomorrow: feeding 9 billion people in 2050, improving the living conditions of the 40 % of the world’s active population who make a living from agriculture, and preserving our environment, knowing that 30 % of farmland is now damaged¹. These are challenges in which we will play our part, together, with all the players in the agricultural sectors concerned.



¹ Source: FAO, <http://www.fao.org/docrep/015/i1688f/i1688f00.pdf>
http://agriculture.gouv.fr/IMG/pdf/HS_26_4-5_cle85d799.pdf

Supporting our producers in the adoption of sustainable agricultural practices

By encouraging farmers to anchor in their territory and helping them to develop sustainable and competitive farming practices which respect their environment and create social value, the projects of the Danone Ecosystem Fund try to provide farmers with the tools to build the agriculture of tomorrow.

TAKING INTO ACCOUNT THE LOCAL CONTEXT AS THE FOUNDATION OF EVERY PROJECT

Adapting to the local context is key to introduce new agricultural practices. In China, the **Sustainable Farming** project, which trains farmers and sets up self-help groups, had to deal with a specific social context: “Farmers’ education is low, they have poor productive practices and are scattered” explains Susan Tong, Project Manager at [Dumex China](#).



In addition to this social challenge, the project had to face an environmental issue. If sustainable agriculture is often associated with outdoor grazing, this practice makes the desertification of the region worse. The project co-created by [Heifer China](#), Danone and Dumex thus encourages farmers to switch from outdoor grazing

to in house feeding in order to protect the soil while respecting animal welfare standards.

Therefore, the current projects highlight the need to raise awareness of local issues and to work on representations, in order to encourage the transition to a sustainable agriculture made up of a variety of models, adapted to the realities of each territory.¹

DEVELOPING EDUCATION AND EXCHANGES BETWEEN FARMERS TO CHANGE EXISTING PRACTICES EFFECTIVELY

Raising awareness and training farmers in sustainable practices requires a change in habits and a shift in mentalities. As Jérôme Pavie, Reine Mathilde Project Manager at [the Institut de l'Élevage](#) (French Livestock Institute), explains: “to change existing practices effectively, the farmers must be convinced of the benefits for the environment, society, but also for themselves”.

An effective way to overcome producers’ doubts is to allow them to observe innovative practices. Setting up an organic experimentation and visitor center farm is one of the flagship actions of the **Reine Mathilde** project, launched by [Danone Dairy in France](#). Since 2011, the farm has organized 6 open days and



welcomed 712 visitors. These regular gatherings have brought farmers and their partners together, helped them familiarize with organic practices and convince them by showing gradually the benefits and limitations of each experiment.

Training and experience-sharing are also key in ensuring acceptance for a progressive, adapted transition. The **Ciater** project, co-built by Danone Dairy Indonesia and the NGO [Sahabat Cipta](#), relies on farmers who, once trained, share their skills and train other farmers. As Nury Moeis, Ciater Project Manager at Danone, explains: “Seeing is believing. Demo farms managed by trained champion farmers help to convince others that the new practices can deliver more milk with better quality”. Relying on pioneering farmers within self-help groups facilitates the conversion of the whole community and is a recurring model in the projects supported by the Fund.

¹ See the results of the ethnographic study carried out in Ukraine in the [Newsletter #8](#).

EMPOWERING FARMERS TO BECOME CHANGEMAKERS WITHIN THEIR TERRITORIES

Giving farmers the tools to implement more sustainable practices is also a way to empower them. In the Pursur River region in Indonesia, “farmers were not actors of their own development, they were depending on solutions imposed by their environment” explains Fainta Negoro, Klaten Project Manager at Aqua. The **Klaten** project, co-created with the NGO **Bina Swadaya**, puts farmers back at the centre of the change process. “Farmers can join productive units or become members of the task force in input production and agro services. It allows them to become real actors in the supply chain of sustainable farming practices.”

To help farmers to strike a balance between economic performance, environmental protection, creation of social value and production quality, the Fund’s and Danone’s teams and their partners want to provide farmers with methodologies. The RISE method (see box), adapted to Danone specific needs, is for example designed to support them in implementing improvement measures. A dedicated team of Fund members and experts from Danone is in charge of deploying pilot experiments of this method and work more broadly on a vision of sustainable agriculture and on change management. As Anne-Charlotte Dockès, Project Engineering Manager at the Institut de l’Élevage and partner of the Fund on this project, points out: “We

must present an image of the project that fits the way farmers see their job. In an innovative project, all stakeholders must be mobilized. We must organize the ‘active listening’ for everyone.”

It is in collaboration with all these stakeholders that the Fund works to support change in the agricultural sector, moving toward innovative and sustainable practices while maximising the economic, social and environmental benefits.

THE RESPONSE-INDUCING SUSTAINABILITY EVALUATION (RISE)



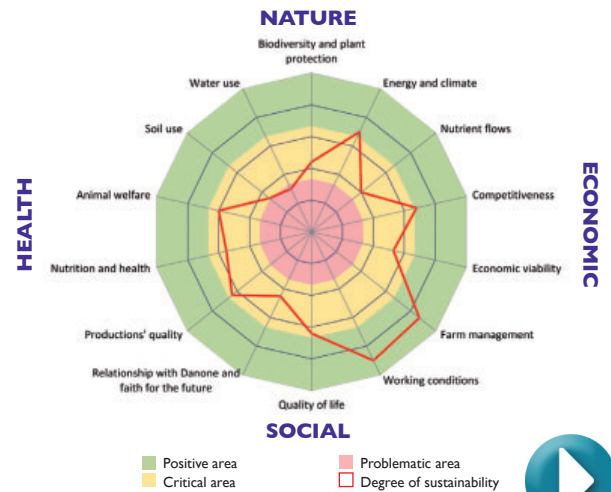
Dr. Jan Grenz

Lecturer in sustainability research, Bern University of Applied Sciences

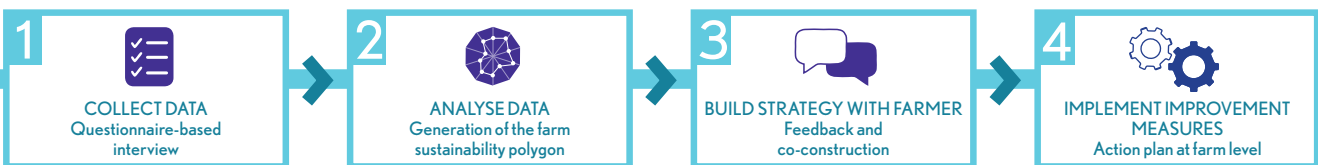
“The RISE method assesses the sustainability of agricultural production at the farm’s level. Information on the economic, social and environmental situation is collected to form a polygon representing a ‘snapshot of sustainability’ (see diagram). These results serve as a basis for farm consulting and improvement programs co-built with the farmer and stakeholders of the agricultural sector.

By making sustainability more measurable and comprehensible, the RISE helps enhance farm sustainability, and thus supply security. The use of RISE within the suppliers network of Danone reflects an awareness of the long-term nature of sustainable agricultural development as well as a readiness to invest time and capacities into reliable and lasting relationships with farmers.”

A farm sustainability polygon



Steps of the RISE method



QUESTIONS TO...

... THREE PRODUCERS INVOLVED INTO THE ECOSYSTEM FUND PROJECTS

SUYAMTO

Beneficiary of the Klaten project

Launched in 2010 in Indonesia, the Klaten project set up cooperatives, a micro-credit scheme and a system of village business units that provides the community with everyday services.

What are the main benefits of this project for you?

First, the knowledge and skills I gained. Since I joined the program, I have put into application all the training and help provided: micro-credit, organic farming principles to grow vegetables and fruits, but also the production of organic fertilizer, etc. All the space I have is exploited at best to integrate sustainable practices.

Furthermore, these new activities have generated a significant income, improving my life conditions, and that quite rapidly.

What are the next steps?

I feel this program can really help improving life conditions of the community. I want to convince the others in adopting new farming practices, through making them witness concrete results, seeing from their own eyes that it can be rapidly achieved. As a former teacher, I want to transmit my knowledge to other farmers.

This emblematic project of the Danone Ecosystem Fund was replicated in China: the Eco-Longmen project, co-created by Danone Waters China and the IUCN, was launched in 2012.



DISCOVER THE INFOGRAPHY

WALTER RODRIGUEZ VARGAS

Commercial manager of APPTA (Asociación de Pequeños Productores de Talamanca)

In Costa Rica, farmers of the APPTA cooperative, who grow organic cacao, banana and other tropical fruits, lose approximately 40 % of the fruit harvest due to the time and distance to the processing plant.

To address this issue and support their organic fruits' production system, Stonyfield and the Sustainable Food Lab imagined the CAPE¹ project with the objective to design an organic fruit processing system customized for small and medium holders.

What led the APPTA to take part in the CAPE project?

It is imperative for us to have control of the processing and marketing of our bananas. The experience we have had with external processors has been very difficult, and the support of the CAPE project is critical.

What economic and environmental benefits do you expect to gain from this project?

The main benefits it will bring us are: having control of our business, developing stable and continuous markets for our members, increasing income for the farmers and improving the financial situation of the organization. The CAPE project will give more value to the crops in our agro ecological production system and provide the motivation for producers to maintain this system. It will contribute to maintaining the ecological wealth of the Talamanca region.

¹ Cellular Aseptic Processing Equipment



THE GAEC¹ GUILBERT

Demonstration farm and visitor center of the Reine Mathilde project

In France, to strengthen the organic dairy sector, the Reine Mathilde project set up an organic demonstration farm and visitor center, held by the Guilbert family. Since 2011, several hundreds of people have attended its open days each year.

What motivated you to switch to organic agriculture?

In the early 2000s, we installed dryers to make the most of our grass and lucerne. We weren't yet thinking about organic agriculture. The Danone technician gave us the idea by telling us about the project aiming to develop the organic sector in Lower Normandy. Aware of the environmental issues, we wanted to adopt this production method. Another benefit of organic agriculture is food autonomy, and the fact that you know where your products come from.

Why did you join in the Reine Mathilde project?

We want to adopt the cultivation methods that best suit our needs and those of our herd. But there aren't many bibliographical references about our region's species and biological varieties or about cultivation techniques in the organic sector. That's what influenced our decision. By opening our doors to the public, we can popularize organic agriculture for various audiences and work on improving our techniques.

Other projects supported by Danone Dairy in France aim to support all farmers especially in the frame of its "Players in sustainable milk" approach.

¹ Jointly run farms



READ MORE

43 ON-GOING PROJECTS



"It is a common sense observation that no living organism can grow and develop in a deprived environment or a desert. It is in a company's best interests to take good care of its economic and social environment, in one word its 'ecosystem'."

Franck Riboud,
Chairman & CEO - Danone



To find out more, visit our website at:
<http://ecosysteme.danone.com>



CONTACTS

ecosysteme@danone.com

T +33 (0) | 44 35 24 54

Publishing: Jean-Christophe Laugée

PRESS OFFICE

**Danone Corporate
Communications**

press.relations@danone.com

T +33 (0) | 44 35 20 75

CREDITS

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R. Clark, J. Dumontier, C. Floyd, T.R. Hart,
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