



Speaker Summary Note

Session: **Innovative Approaches and Initiatives for Better Linking Agriculture, Nutrition, and Health**

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Title: **Health and Nutrition Impact Through Agricultural Development**

Creating Shared Value at Nestlé

Creating Shared Value is a fundamental part of Nestlé's way of doing business that focuses on specific areas of the Company's core business activities—namely water, nutrition, and rural development—where value can best be created both for society and shareholders. At Nestlé, CSV is embedded in our long-term thinking: Creating value in our daily business, shared with many groups in society—as a necessary long-term underpinning of value created for all stakeholders.

This value chain is not something that remains in academic abstraction. It is about everyday products, here, as example, improvement of grain quality in Western Africa, together with our partner IITA (International Institute of Tropical Agriculture). But it is also about factories, logistics and organisation. And it is about real people living in a wide range of different social and economic environments.

Central and West Africa (CWA) Grains Quality Improvement Project

Rationale

- There is an increased focus on mycotoxins in human nutrition and its negative impact on health
- Raw materials used for specific nutrition products are no longer considered as commodities
- The West African sub-region has high mycotoxins pressure due to the hot humid environment and inadequate farming and storage practices
- Specific procurement procedures needed to be established to ensure reliability of safe and quality compliant raw materials for consumer products

Objectives

- Eliminate all negative effects of mycotoxins and improve the quality of life of rural and urban households

Shared Value Objectives Nestle

- Ensure supply to meet increasing demand for high quality cereals for Nestle cereal based products
- Reduce the dependence of Nestlé factories in CWA on imported cereals

Farmers:

- Increase the quality of grains consumed by households
- Increase overall health of farmers and decrease health related cost
- Increase access to markets for premium quality cereals to ensure household income

Nestle trains the following stakeholders in order to ensure change of practices and effective communication:

Interaction across the value chain

- Agricultural Extension Agents (Gov't Trainers of Trainers)
- Farm Village/Community Chiefs creating awareness of mycotoxins
- Farm Family Heads on grain nutritional quality
- Farmers on better agricultural practices and grain storage
- Transporters on safe and reliable transport and ensured timing of delivery

Achievements and benefits

- More than 10'000 farmers are trained to produce grains with mycotoxins levels within Nestlé norms (4ppb) in 2009/2010 through:
 - 90 Agricultural Extension Agents (train the trainers) to reach 9'800 farmers
 - 55 Farm Village Heads with coverage of 8 farmer households each
 - 80 Storage staff
 - 30 Transporters
- Farmers are now aware of the negative impact of mycotoxins on health and trade and enabled to use "Good Agricultural Practices & Good Storage Practices" to get market access and a price premium!
- Market access created for locally produced grains in West Africa with a farm base value of >20'000'000 US\$ (enormous rural development impact!)
- Elimination of imported grains helped to create a leaner and cost competitive supply chain.