

Supply Chain Paraguay to Europe

Ana Yaluff

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A look to the market

Product

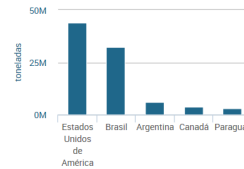
Context

Market perspective

Trends



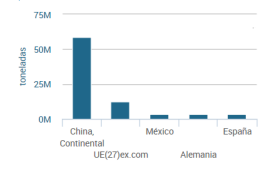
Exportaciones de los 5 principales exportadores 2012



M = Millón, k = mil

■ Soja

Importaciones de los 5 principales importadores 2012



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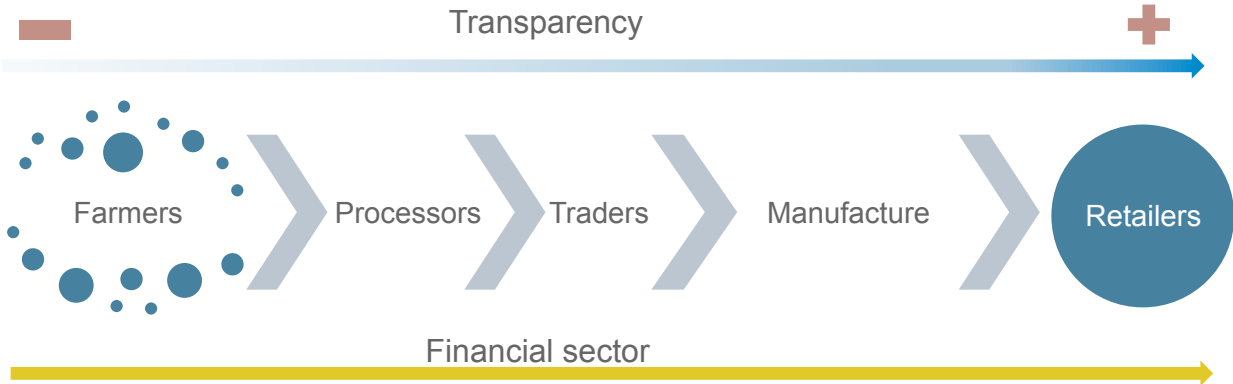


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A look at the supply chain



Sustainable sourcing programs: drivers for companies

Market:

- Changing consumer preferences, which are creating demand for differentiated green products, regulations

Transparency:

- A call for better public access to information across the entire value chain

Risk management:

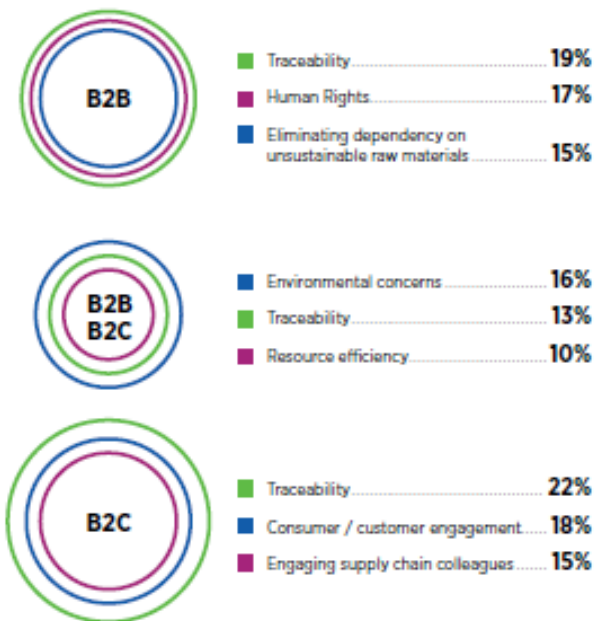
- Major supply chain risks, including human rights, national security, environment and climate change, that could negatively impact sourcing activities and ultimately reputation and brand value

Competitiveness:

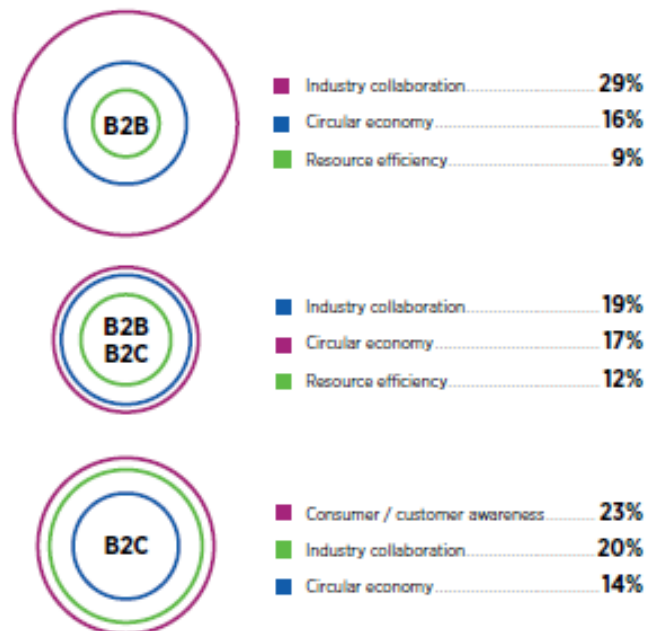
- A business environment that is focused on opportunities to reduce costs – many of which come from the supply chain.

Supply chain opportunities and issues – by company type

Biggest supply chain issue by company type:



Most exciting supply chain opportunity by company type:



Key instruments for sustainable supply chain management

Certifications

International recognition

Stakeholders meetings

Rountables, Committes

NGO and local projects

Local level impact

Internal Policy

Code of conducts, audits, verification

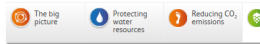


Swiss Research Institute on Commodities

Solidaridad



HEINEKEN Sustainability Report 2013






Sourcing sustainably





Sustainability Certifications achieved by ADM in Paraguay

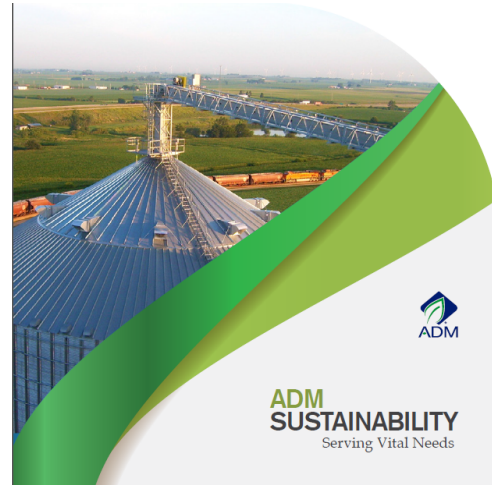
Scheme/Type	Facilities	Certification
ISCC EU/FGP	ADM Paraguay - all Paraguay units	
ISCC EU/ Conversion Unit	ADM Paraguay – Villeta’s crushing plant	
ISCC Plus	ADM Paraguay – Villeta’s crushing plant	

ADM SA is also chair of the ISCC LA Technical Committee and is Board member of ISCC Association.

Roles and limitations of certifications.

Instrument	Strengths	Limitations
Certification	<p>Improves practices at a farm level</p> <p>Provides traceability</p> <p>Provides a label and a credible story of the product</p> <p>Very targeted and easy to communicate</p> <p>Provides financial incentives for producers to improve practices</p> <p>Accepted by key stakeholders as effective action at farm level</p>	<p>It is farm based and does not have the ability to tackle root causes of the sustainability issues.</p> <p>Huge costs to segregate certified product up the supply chain.</p> <p>Often does not reach the mass of unorganized farmers at the base of the pyramid.</p> <p>Certification costs are typically less efficient for small holders than for large plantations.</p> <p>Farm level not landscape permitting leakage of unacceptable practices to non-certified farm.</p> <p>May be perceived by governments and producers in-country as externally driven so lack local ownership.</p>

About ADM initiatives



<http://www.adm.com/en-US/Pages/default.aspx>

<http://www.adm.com/en-US/responsibility/2014CRReport/Documents/2014-Corporate-Responsibility-Report.pdf>