

Nestle needs to do more for its farmers

CASABLANCA, MOROCCO: Nestle has admitted it can do more to improve its suppliers' livelihoods, after an Oxfam report accused the Swiss food giant of failing to address the plight of farmers in the world's poorest countries.



"Where we can make a difference is in rural development, nutrition and water conservation - that is the biggest issue of scarce resources," Nestle's vice president for Africa, Asia and Oceania, Nandu Nandkishore, told *AFP* in an interview.

"Can we do more in these areas? Absolutely," he said.

In a report published last month, Oxfam said the world's largest food and drinks companies were not doing "nearly enough to address inequality, hunger and a lack of opportunity," particularly for women working within their supply chains.

It said Mars, Mondelez International and Nestle, which control more than 40% of the global chocolate market, buy nearly one third of the world's harvested cocoa, while poverty and hunger among cocoa growers remains "endemic" notably in West Africa.

"We will support the efforts of Oxfam and other NGOs to improve sustainable food systems," Nandkishore said during a visit to Morocco, adding that the Oxfam report gave Nestle the best rating of the firms assessed.

"We have more than 600,000 farmers worldwide who provide our raw materials. We are working to improve their livelihoods. In Morocco alone, there are 16,000 farmers, who supply Nestle's El Jadida factory with about 80m litres of milk annually, compared with 6.6m litres that it collected 20 years ago," Nandkishore said.

"Despite the Lehman (Brothers) crisis, despite the north Atlantic, eurozone crisis, Africa continues to grow," Nandkishore said. "We have recognised this. Africa is an area where we are looking for good growth rates," he said, adding that Nestle has invested 1.3bn Swiss francs there over the past five years.

Nestle's sales in Africa grew by 13.5% in 2012 to 3.33bn Swiss francs, the company said in its annual report, making the continent its second most important in terms of growth after Asia.

"Even with the 'speed bumps', in the course of this decade we expect a billion consumers to emerge from poverty and into the middle class," said Nandkishore.

"And the emerging consumers will look for packaged goods, for conveniences, for modern lifestyles," he said.

But for all the optimism about its potential as a key emerging market, Africa clearly still has a long way to go, accounting last year for less than Nestle's sales in France, its largest European customer.

Source: *AFP* via I-Net Bridge

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