

Cargill Comments on Draft One of the Voluntary Guidelines on Food Systems and Nutrition

Cargill: provider of food, agricultural, financial and industrial products

Cargill is a family owned company and is over 150 years old. Our purpose is to nourish the world in a safe, responsible and sustainable way. We connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive. We combine our experience with new technologies and insights to serve as a trusted partner for food, agriculture, financial and industrial customers in more than 125 countries.

Cargill moves a variety of raw materials around the world, from places of surplus to places of deficit. The company processes many of them – rapeseeds, sunflower seeds, or soybeans into oil and meal, cocoa beans into cocoa butter, powder and paste - and then sells the subsequent ingredients to many food and feed manufacturers of branded foods, as well as into food service. For more information please visit Cargill.com.



Cargill is committed to applying its global knowledge and experience to help meet economic, environmental and social challenges. The private sector has an important role to play in finding solutions to the world’s most pressing challenges and achieving the Sustainable Development Goals – from addressing climate change, to protecting natural resources and improving food security. We are working with farmers, governments, industry groups, customers and consumers to make the future of food more sustainable. Cargill is contributing by adhering to core commitments of operating responsible supply chains, working to feed the world efficiently and sustainably, conducting business with integrity and supporting local communities.

Voluntary Guidelines on Food Systems and Nutrition

In line with its active participation in the CFS Private Sector Mechanism, Cargill welcomes the opportunity to provide comments on draft 1 of the Voluntary Guidelines on Food Systems and Nutrition.

To achieve the UN's Sustainable Development Goals, food systems must be more sustainable, resilient, and equitable, and must provide access to a wide array of culturally relevant, safe, affordable, and nutritious food.

Cargill believes that business is a critical partner in delivering on these goals. Cargill's global reach and its position in and access to multiple supply chains, provides a unique opportunity to contribute to food and nutrition security and to engage with stakeholders to support a holistic approach to nutrition and food system transformation.

We wish to call out a number of improvement suggestions to the draft 1 of the Voluntary Guidelines on Food Systems and Nutrition in areas which we believe are core to securing nutrition for all and to enabling food system transformation:

- The role of farmers
- The role of trade
- The role of risk management tools
- The role of food safety from farm to table
- The role of technologies and innovation
- The role of public private partnerships

Role of farmers

The HLPE report on Food Security and Nutrition (2017) references the World Bank when stating that "agricultural productivity is fundamental for reducing poverty, sustaining the nutritional and health status of billions of people, ensuring food security, and generating the resources to access adequate care, health, water and sanitation services".

Farmers occupy a central role in food systems. It is the work and output of farmers, be it by raising livestock or by growing crops like cereals, oil seeds, cocoa beans and other agricultural raw materials that can either be directly consumed or which are transformed in the food products which we all consume on a daily basis.

This central role and the need to support farmers of all sizes and forms and allow them to thrive economically, socially and contribute to environmental sustainability and at the same time ensure their resilience to cope with the impacts of climate change could be more predominantly underlined at the start of chapter 3 of the Voluntary Guidelines.

Cargill believes farmers are best served when governments and regulators focus on creating policies that allow farmers to develop the agricultural activities best suited for their environmental and climatic conditions, so that food can be provided in the most efficient and sustainable manner.

Role of trade

Open trade allows nations to reach across borders to obtain other goods, services, new technologies and other resources they need to prosper. Most often these are resources which are not available or feasible to cultivate, manufacture or otherwise obtain internally. They may range from raw materials to factory

machinery to finished products and other resources. By obtaining these necessary resources through trade, companies can keep workers employed and consumers supplied with the items they need and want. Cargill advocates for free trade and functioning markets as enablers of global food and nutrition security, contributors to economic development of farmers, large and small, and to sustainable agriculture by allowing farmers to grow the commodities best fit for their soils and climate and then trade these crops as well as have a positive impact on the broader local communities.

Trade policies can facilitate the free movement of goods, services, and capital. We support trade policies which are developed within a rules-based system that builds trust among the parties, provides recourse for settling disputes through institutions such as the World Trade Organization, and ensures all participants are competing on a fair and level-playing field—each with the same responsibilities, equal access to markets, and an equal opportunity to compete in those markets.

Policies should be based on sound science and encourage harmonized standards so trade can flow unimpeded. Policies should not include measures such as export bans and restrictions that limit access to food, artificially raise prices, divert food from markets in need, send mixed signals to farmers, and misdirect agricultural investment.

Based on the recognized role of trade as an enabler to achieve the SDGs, we suggest the Voluntary Guidelines reference the positive contribution of responsible international trade and the role that governments can play in support of responsible trade.

Role of risk Management tools

Companies, like Cargill, who offer farmers access to markets and are moving materials from places of surplus to places of deficit, use futures markets to hedge the risks of significant price movements while these goods are in transit or in processing. Price volatility can be due to a convergence of different supply and demand factors, including: increased demand for food based on economic growth in emerging countries, supply challenges caused by extreme weather and trade barriers.

We support government programs that help farmers, of all types, manage short-term risk during market volatility.

Futures markets provide necessary transparency in real-time and governments should encourage participation to futures market as well as provide other market risk management tools such as insurances. Government could supplement this policy by collecting and disseminating data to the public, such as on short and long term developments impacting production, while at the same time respecting competition policy. Governments can assist in capacity building in risk management tools, for all types of farmers. Support to developing risk management tools, needs to go hand in hand with clarifying property rights. That way, a farmer has the incentive to invest in his land and crops and does not fear at any moment that they will be taken away.

Given the added value of risk management tools for managing price volatility for all farmers and the role of governments in enhancing the use of future's markets more generally, we encourage paragraph 3.2.4 a) of the Voluntary Guidelines to be broadened in scope.

Role of Food Safety – from farm to table

Cargill is involved in numerous food supply chains around the world, from farm to table. Our goal is to provide safe food and feed every time, everywhere. Food safety is at the core of everything we do at Cargill, and it's fundamental to our success. We define food safety as protecting people and animals at every step of the supply chain from illness or injury due to handling or consuming our products.

Producing the safest food possible is absolutely critical to achieving global food and nutrition security. Based on our global and day to day experience and actions to uphold food safety across agro-food supply chains, **we suggest that Food Safety is referenced under a separate heading and as such becomes an overarching theme in the Voluntary Guidelines.** To contribute to food safety, governments are to take a comprehensive, science- and risk-based approach to food safety and work towards harmonization of food safety rules and practices across borders. Codex plays a central role in food safety harmonization which equally strengthens nutrition and enables trade.

Cargill is also a firm believer of public-private sector collaboration to address food safety issues and to establish standards and policies that improve the overall supply chain and build trust with consumers.

Role of technologies and innovation

Innovation and the use of technologies around food and agriculture is an essential aspect to achieve healthier and more sustainable food systems. The use of these tools can contribute to efficient and sustainable agro-food practices - from enabling farmers to implement more precise farming methods; to the use of satellite or drone images and data in order to obtain greater insights around global supply and demand; technology supports food safety, sustainability, livelihoods, access to information and food and food ingredient innovation.

It is important that the Voluntary Guidelines underline that government policies should encourage research and development in the agricultural and food sectors, and establish an evidence and science based regulatory framework for the introduction of innovations that enable more sustainable and productive agriculture and food systems.

Role of public private partnerships

Cargill's actions across the global food value chain have a positive impact on food security and nutrition: through the promotion of agricultural practices that support a more sustainable future to farmers of all sizes; through enabling access to markets for farmers by operating efficient and effective supply chains; through mitigating against price volatility by offering risk management tools benefiting farmers and customers; through contributing to the food safety across the food value chain; and through developing innovative solutions in the food, feed and industrial markets that support food system transformation in various forms. Yet, Cargill is a firm believer in the power of Public Private Partnerships. No single stakeholder is able to bring swift and sustainable change with real impact on its own.

Public Private Partnerships offer all parties the opportunity to access additional resources, expertise and other implementation support to help address key issues in food systems. This helps to share risk, cover early implementation costs, and be a catalyst for further change.

Cargill's model of working with cooperatives has proved successful in Cargill Cocoa and Chocolate's business, see <https://www.cargill.com/sustainability/cocoa/sustainable-cocoa>, and it is a model that could be replicated elsewhere. Further evidence of the impact of Cargill's experience in successful PPP can be shown through the Cargill-CARE rural development partnership which has reached more than 2.2 million people in 10 years, helping build more resilient communities in 10 countries through improved food and nutrition security, increased farmer productivity and greater access to markets: <https://www.cargill.com/story/decade-of-impact-care-cargill-partnership>

Given the benefits of effective PPPs, we would encourage the Voluntary Guidelines to point out to the role that governments can play to support and focus on the aggregation and the role of PPPs.

We thank you for the opportunity to submit our comments and remain interested to continue to engage in the debate leading to the approval of the Voluntary Guidelines at CFS46.