



Agricultural Value Chains and Carbon

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population x consumption \neq planet



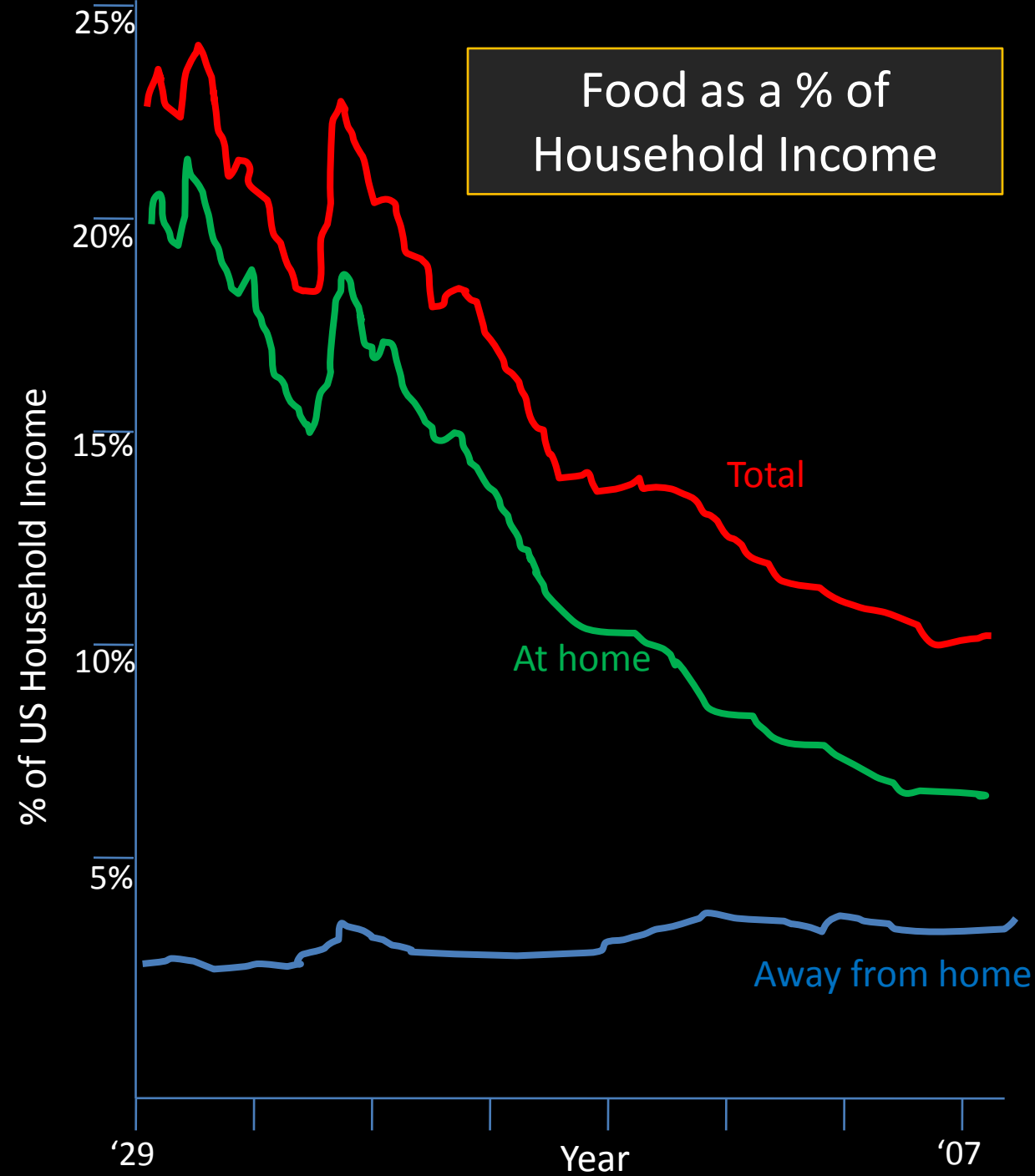
Should consumers have a choice
about sustainable products?

Global Trends by 2050

- Population—3 billion more
- Income will increase by 2.9 times
- Consumption will double
- 70% will live in cities—as many as are alive today

Impacts that are acceptable with 6.7 billion

Will not be with 9 billion people





“bundled values”

physical values

weights and measures

quality

color

foreign matter

health and safety



intangible/certified values

organic

non-GMO

carbon

water

poverty alleviation

protected riparian areas

biodiversity

no child labor

21st Century Supply Chains

Perceived scarcity driving changes

Transformational not transaction based

Align incentives—partners not adversaries

Forward contracting rather than spot market purchases

Cheaper credit and input supplies

Sustainability standards exist for many commodities

Book and claim—reduces costs, increases market share
(palm oil)

Why the private sector cares about carbon

Secure supply chains—scarcity, increased demand

Improving reputation

Gaining market access or market share

Saving money and increasing income through value chain

Preparing for eventual regulation

Carbon credits

Key Issues to Address

Common methodology

Credible carbon, avoided deforestation, input use

Credit for intensification

Cultivation or management practices

Soil Carbon—cost and permanence

Land use change and displacement

Changing science

Carbon and Commodities—Phase 1

Draft the concept and peer review it globally

Develop a business plan for how carbon can be bundled with commodities and aggregated to achieve scale

Assess “credible” carbon in different commodities

- Annual crops—Soy, corn
- Perennial—Cocoa, Coffee, Cashews, Palm Oil
- Forests—Paper
- Animal—Beef, Dairy Set
- Other—Sugarcane



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