

10 Smart & Clean

‘Young Global Leader’ Lucas Simons about the silent revolution in the food sector: “The power is shifting. It has become a seller market.”

‘Green marketing is old thinking’

By PIET DEPUYDT and MAARTJE SOMERS

His name is Lucas Simons.

He is barely 39. And for already almost ten years he has put a lot of effort into developing sustainable production chains for coffee, cacao, tea, cotton, soy and sugarcane. Last month, the Dutchman was rewarded for this with a prestigious award. The influential World Economic Forum (WEF) named him Young Global Leader. With 149 others, chosen from around five thousand candidates worldwide, he is now the pioneer with communal impact. And still, the coffee that he offers at the office of his company for strategic advice, in the centre of Utrecht, is not what you would expect of a pioneer. A cup of comfort from an aluminium Nespresso cup. Not exactly a sustainable choice. It seems that Simons hardly cares, although he does want to replace the machine. His attention is not first and foremost focused on consumers, but on producers. He does not want to be involved with combatting the symptoms, but bring about the massive change in the global food sector. “For me, Young Global Leaders are people that dare to think against the system. “For me, it is also about game change. To change the whole production chain,” says Simons. That change is fully on its way, so much that he already speaks of “a silent revolution.” Concerns such as Unilever, Sara Lee and others are aiming for a fully sustainable use of resources within now and ten years.

In 2002, Simons was part of the creation of Utz Kapeh (now Utz Certified), a certificate for sustainable coffee that was partly created by Ahold Coffee Company as an alternative for the much better known Max Havelaar. The confrontation between the two seemed like an unfair fight. These days, forty per cent of Dutch coffee is Utz-certified. The Max Havelaar market share has never reached more than 5 per cent. “I am a realist,” Simon says. “Not a stargazer. I walk the way of that which is reachable.” Simons has little in common with keen innovators that aim for the purest coffee and have turned sustainability into an ideology. “It is much more important to reach the critical masses. You may end up with less kind food that will not put smiles on the face of every farmer, but we cannot solve all problems at once. The effect that we reach, however, is definitely structural. Moreover, the impact that we generate will be much bigger.”

In 2008, Simons decided to gild his knowledge and to apply the principles of sustainability to other products than just coffee. With his consulting agency NewForesight he now supports customers that want to come to agreements about sustainable certification, and with his second company SCOPEinsight he has developed a review system for the credibility of farmers, to improve their access to capital.

Few people know that Utz is a quality mark for sustainable coffee. How could it become such a success?

"Because the consumer does not really play a role in this change. The buyer of a Douwe Egberts pack is not yet looking for a green and sustainable product. He just wants to drink nice coffee. He does however find it self-evident that, during the production of the coffee, enough effort has been put into the labour conditions and the environment."

Why is sustainability not used more often as a selling factor?

"I sometimes say: green marketing is old thinking. Douwe Egberts coffee stands for cosiness, the Coca Cola sodas are associated with lifestyle and fun. These brands do not want to be linked to massive deforestation or poor farmers. That is why they have embraced the principles of sustainable development, but without emphasizing it. That does not fit the brand image."

Sustainability is expensive for companies. What motivates them to aim for it anyway?

A light self-interest. Companies understand that resources have limits, that you can tire out wells. Close to 2050 we will have to make an ecological footprint that is half as big, with twice the amount of people. We therefore have to produce four times as efficiently. Producers realise that they have to make a choice: invest in the total chain and develop stable relations with farmers and suppliers, or be satisfied with whatever the competition leaves them. Especially since the Fall of 2008 – the moment when shortage in resources, agriculture crop failures and the financial crisis all came together – this has become the new way of thinking."

Don't companies tend to look for less sustainable, but cheaper alternatives due to the higher food prices?

"You'd think so. But the opposite is true. The power in the food sector is changing. It has become a seller market. Ten years ago, there was a coffee surplus. Farmers were the outcasts of the chain. These days, the big buyers are looking for security and they try to establish privileged relationships with the suppliers of the resources. They want to get more control over that chain. This can be turned into a reality by doing acquisitions – much like China is aiming for in Africa or like Unilever has been doing for a while with its own tea plantations. But this means that the big players in the sector also need to take more responsibility and more risk and debts into their own balance. An alternative way is to improve cooperation: emphasizing the shared values and choosing similar standards."

Won't the rise of China bring down the sustainability trend?

"China is indeed a leakage in the system. I notice a double standard there. The Chinese are hardly ever present at the negotiations about the sustainable approach of agricultural and other resources. At the same time, they are pioneers in developing sustainable energy. I am optimistic. I assume that they will turn around at once, and that one day they will say: we will now invest into a long term relationship with for instance Indonesia on biofuels, and we'll make everything more sustainable. They will have to. There is no other option."

Recently, Unilever executive Paul Pollman called for an end of food speculation. What is your opinion on that?

"I am not a speculation expert. My simple argument is that food and food certainty are too important to speculate with. Everything that increases the uncertainty is part of the problem. Especially in times of acute shortages, high food prices and geopolitical instability."

What about the monitoring on sustainable quality marks? FOE-Netherlands recently filed a complaint against the sustainable certification of the Malaysian palm oil giant IOI. The company would be guilty of land expropriation, deforestation and other malpractices.

"I am not familiar with that case, but it is a familiar phenomenon. In some places, it is easier for companies to comply with the standards, in other places it isn't – or not yet. You can only solve that by raising the physical traceability of products. The palm oil sector is not that far yet. There is a change happening in certificates that only guarantee that sustainable oil has been produced somewhere, to physically tracing parties."

What is the next threat for you for the process of preservation?

When we just started, that was the risk of a fragmented approach: a project was started and as soon as certain goals were reached, it would collapse like a house of cards. These days, it is mainly the wild growth of certificates that is our biggest threat. There is competition between different quality marks and because of that there is a shortage in efficiency. Other factors that play a role: local governments are sometimes corrupt or don't invest enough in agriculture. Sometimes existing players pull out and then we need new impulses again. You can see that phenomenon happening now with sustainable coffee. It looks like the work is finished there now. The non-governmental organisation circus goes on and focuses on tea or electronics. Still, the coffee sector is far from done. We have only just started."

Does sustainability also mean: opportunities for small farmers, or do the giants in the agriculture sector have the future?

We are on our way to a world population of 9 billion people. Suppliers will have to develop a certain scale to be able to meet their needs. At the same time, food certainty at the local level will be essential. Perhaps small farmers can therefore better opt for the local market. That does not mean that bigger plantations will have to adjust their work methods. They will for instance have to work with crop rotation to avoid depletion of the soil and hollowing out the bio diversity."

Are there any taboos left? What do you think of genetically altered crops?

When there are 9 billion people on this world, I don't think that we can avoid a further intensification of agriculture and genetic modification. Especially if we can quadruple the output and stop cutting down valuable forests."

Lucas Simons

Lucas Simons (1971) started his career as a consultant at KMPG Sustainability and TNO. After that, as a director of the quality mark Utz he was responsible for setting up sustainable coffee, cacao and tea programs. Simons graduated in Environmental hygiene at the University of Wageningen and got an MBA at the Tias-Nimbas Graduate School of Management. In 2008, he established NewForesight, an advice agency that helps organisations such as the United Nations (UNDP), the Sustainable Trade Initiative (IDH) and Bonsucro (before Better Sugarcane Initiative) set up sustainable production chains. His second company that he established in 2010, ForeFinance, has developed a rating system that provides insight to the credibility of farmer organizations and should lead to a better access to credit.

Fair Trade

Fair Trade is an importer of so called fair trade products. It is not a quality mark, but a trademark, that can be found on food as well as on appliances. Fair salary and good labour conditions are central, but

the trademark has created its own criteria for this. The food products that Fair Trade imports, also often carry the Max Havelaar quality mark.

Utz Certified

Coffee producers pay a fair salary to the labourers and respect international labour conditions. Surpluses do not go to community projects but to the individual farmer or cooperation. Utz Certified stimulates sustainable crop growing, through for instance education. No price guaranty, but buyers pay a voluntary sustainability premium. Can be found on coffee, tea and cocoa among other things, under development for palm oil.

Rainforest Alliance

Quality mark of an independent environmental organisation that wants to protect the tropical rainforests. Can be found on tropical products. Rainforest Alliance demands a certain standard of labour conditions in companies, like the right to be a member of a trade union, but also makes demands regarding environmental and nature preservation. To be eligible for the quality mark, 50 per cent of the demands have to be met. If it also says Certified, then all demands have been met.

Max Havelaar

Companies buy at small farms against a guaranteed minimum price. Any surplus is invested in community projects. Producers have to comply with international law for environmental protection and labour legislation and conditions. They have to aim for minimum emissions and impact on the environment.