



Joint news release

Partnership Sets Out Path to Certified Sustainable Coconut Oil in the Philippines GIZ, BASF and Cargill partnership reaches 2,500 smallholder coconut growers

GENERAL SANTOS CITY, PHILIPPINES, LUDWIGSHAFEN, GERMANY- MINNEAPOLIS, MINNESOTA – BONN/ESCHBORN, GERMANY – Feb. 5, 2013 – A program to develop a certified coconut oil supply chain to enhance sustainability and improve the livelihoods of 2,500 coconut growers in the Philippines has been launched. It is a result of a partnership between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, BASF and Cargill. The partnership is co-financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) through its program developPPP.de.

The certified coconut oil supply chain program focuses on smallholder coconut growers in the southern Philippine island of Mindanao. It aims to raise farmers' incomes by improving productivity and coconut oil quality. It also will introduce the Sustainable Agricultural Network (SAN) standards as a basis for Rainforest Alliance Certification™ for coconut production.

Farmers already have started the first phase of Good Agricultural Practices training for coconut production. They will be provided with newly designed coconut dryers to improve the quality of copra (coconut meat) and coconut oil. In addition the project helps provide greater healthcare access for coconut farmers to the country's health insurance program, PhilHealth. By working with Small Coconut Farmer Organizations (SCFOs), other cooperatives and by leveraging the project's financial support, 2,500 coconut farmers have enrolled in PhilHealth with a reduced enrollment fee. This will provide new healthcare coverage for an estimated 12,500 to 15,000 Filipinos.

"This project combines the strengths of public and private partners, and builds on the 40-year history of GIZ working in the Philippines," said Wolfgang Moellers, GIZ portfolio manager, Philippines and the Pacific. "Sustainable economic development for smallholder coconut farmers will convey multiple benefits for families and communities related to this important crop."

"Coconut production plays a critical role in the Philippine economy, especially in southern Mindanao," said Efren Barlisan, general manager of Cargill's Grain and Oilseeds business in the Philippines. "The project will help improve the livelihood of thousands of smallholder farmers in the region."

"We are proud to see this program come together. Contributing to the sustainability requirements of our supply chain by helping to set criteria and introduce a certification scheme for our home and personal care business is a core part of our corporate social responsibility efforts," said Harald Sauthoff, BASF vice president global procurement Natural Oils and Oleochemicals.

Local resources, including the Notre Dame Business Resource Center Foundation Inc. (NDBRCFI) in General Santos City, will also play a key role in the project. They will assist with knowledge transfer and capacity building efforts for local farmers and cooperatives, helping to ensure project benefits continue beyond the initial phases of project implementation.

There are 3.5 million hectares dedicated to coconut production in the Philippines, which accounts for 25 percent of total agricultural land in the country. The Philippines ranks near the top in global coconut production with over 15 billion nuts produced per year. Coconut products contributed almost U.S. \$2 billion in export revenues of the Philippines in 2011. Coconut oil is an ingredient used mainly in food products, while coconut oil derivatives are also used in the home and personal care industry. The Philippine Coconut Authority estimates that there are over 3 million coconut farmers and workers, and up to 25 million more Filipinos working in various coconut-based enterprises in the country.

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About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success, social responsibility and environmental protection. Through science and innovation we enable our customers in almost all industries to meet the current and future needs of society. Our products and system solutions contribute to conserving resources, ensuring healthy food and nutrition and helping to improve the quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF posted sales of about €73.5 billion in 2011 and had more than 111,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

About Cargill

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Founded in 1865, the privately held company employs 142,000 people in 65 countries. Cargill helps customers succeed through collaboration and innovation, and is committed to applying its global knowledge and experience to help meet economic, environmental and social challenges wherever it does business. For more information, visit www.cargill.com and its news center at <http://www.cargill.com/news/index.jsp>

About GIZ

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a federal enterprise with worldwide operations. We support the German Government in the fields of international cooperation for sustainable development and international education. Through our work, we assist people and societies in shaping their own futures and improving living conditions.

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