



BETTER SUGAR CANE INITIATIVE  
AGM 2010, PUERTO RICO

*Puerto Rico*

## *Special Report from Puerto Rico 2010*

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Puerto Rico - a veritable jewel of an island in the Caribbean with a long sugar cane history, and more importantly, home to Bacardi, a rum with a spirit for life attitude - was the setting for the fourth Better Sugar Cane Initiative Annual General Meeting and conference this year.

Bacardi, a long standing Better Sugar Cane Initiative member, played generous host to almost a hundred delegates who had descended on the island from around the world to share ideas and knowledge at the AGM and accompanying sustainability conference.

Bacardi has a reputation as a committed exponent of sustainable supply chain sourcing. Eduardo Vallado, Manufacturing Director for Bacardi in the Americas, underscored the lead his company had taken in this respect in his opening speech outlining green policies which extend to having installed wind energy turbines at its Puerto Rican plant.



Bacardi moved to Puerto Rico from Cuba in the nineteen fifties, and doubtless absorbed the hard lessons already experienced on the island as a result of over expansion of the sugar industry. "Disastrous", was the expression used by the Hon Rivera Aquino, Secretary of Agriculture in Puerto Rico, who was the opening speaker. He gave an unflinching account of the damage inflicted on the island's sugar cane sector in the early 20<sup>th</sup> century as a result of simple greed.

Over exploitation of the soil, over fertilisation, market collapse, all contributed to a scenario which saw the entire industry implode, never to be revived, with the loss of thousands of jobs, as it taxed the meagre resources of mother nature on the modest landscape.

Suitably impressed by this catastrophic example of non-renewable farming on a small island economy, the audience was in a receptive frame of mind to consider the global drivers of sustainability in the world's sugar cane industry today outlined by Guilherme Nastari of DataGro, a leading Brazilian sugar and ethanol analytical company. His key conclusions were that with careful management, essential resources such as water and land were in sufficient supply to meet the inevitable expansion of millions more hectares that would be required for the expanding global sugar cane industry.



Nastari's bullish view was echoed by an equally optimistic Denise Knight of The Coca Cola Company's who put Coke's concerns with water under the microscope as well. But although water is a key ingredient in the Coca Cola product, it is not the only one, and the Company, as Denise explained, has a worldwide environmental programme, geared towards improving all environmental social aspects of its sourcing footprint. This programme is already well advanced as Coca Cola works in partnership with a number of other entities and NGO's to drive better management practices.

Rosie Rafferty of Shell, another leading Better Sugar Cane Initiative member, also presented a positive case for bio fuels and the accompanying focus on ensuring sustainable sourcing which has taken on a sharp focus in Brazil with its joint venture with COSAN, the world's largest sugar cane producer. Mark Lyra of Cosan enlightened the audience with Cosan's Sustainability activities and shared information on the trajectory of the ethanol market.

Dr Gopinathan Mumbully, speaking for a leading Indian sugar producing company — EID Parry, eloquently described the challenges of sustainability in a country with literally millions of cane farmers and severely concentrated land usage, where outmoded lending and working closely in collaborative projects was the only to achieve environmental progress under such conditions.

The necessity for the sugar industry to stand together in the Caribbean was also emphasised by Paul Ryberg, President of the International Sugar Trade Coalition.



# ANNUAL GENERAL MEETING....THE HEADLINES

The 2010 AGM saw the Better Sugar Cane Initiative take a significant upward step in terms of both its identity and governance. We had a very full year, completing a number of "building blocks" essential for the realisation of the Better Sugar Cane Initiative's own sustainability.

*Version 3* of our Standard was completed after a further public consultation and the final Standard 2010 was adopted. Meanwhile after an intense forensic examination of the Better Sugar Cane Initiative's prospects and structure, consultants Accenture ADP gave us a robust business plan.

*Our goal* at Better Sugar Cane Initiative is to have 150 members by 2014, to make ourselves less dependent on member subscriptions by raising revenue from certification, and to be certifying approximately one million tons of sugar and one billion litres of ethanol by that year as well.

*Fundamental to our success* has been the importance members placed on achieving recognition as a "voluntary scheme" by the European Union. The crux of this is that the EU will be requiring adherence to its renewable energy directive by ethanol, importers from next year (2011). Standards like those of the Better Sugar Cane Initiative are well placed to offer ethanol producers a sugar cane Standard that goes well beyond the requirements of the RED while at the same time satisfying the essential RED obligations.

## CERTIFICATION SYSTEM

A main draw of the meeting was the presence of a team of experts who helped design and build the Better Sugar Cane Initiative's Production Standard, and it's Certification System. We were immensely fortunate to have the team from New Foresight, Andy Dimitri of Eximware, and Dr Peter Rein and Peter Turner, technical working group heads, on hand to describe the complexities of Certification, Green House Gas Emissions, Chain of Custody, Claims and Labelling and the Certification Protocol generally to a galaxy of interested parties. The presentation on certification was a curtain raiser to a two day theoretical training course for invited interested parties, certifying bodies and auditors later in the week, also in Puerto Rico.

## BOARD ELECTION

During the course of the past year, the Better Sugar Cane Initiative took the decision, now that the primary project work in accordance with ISEAL governance protocols had been completed with the launch of Version 3 of the Production Standard, to dismantle the somewhat cumbersome management committee and separate supervisory board structure, and establish a single board.

In October member nominations were received from candidates for the subsequent board election and the outcome is as follows:

*With a deadline* of July 2010 looming, the members and staff of the Better Sugar Cane Initiative succeeded in lodging our application and now we await the verdict in the New Year.

Hand in glove with this process, has gone the development of our certification referred to earlier. It covers such headings as approval and training of certifying bodies and auditors, claims and labelling, software specifications, training manuals and testing, and the development of frequently asked questions and a producer support programme.




Name	Company	Category
Sven Sielhorst	Solidaridad	Civil Society
Kevin Ogorzalek	WWF - US	Civil Society
Rosie Rafferty	Shell	End Users & Intermediate
Denise Knight	The Coca-Cola Company	End Users & Intermediate
Dave Howson	Bacardi-Martini BV	End Users & Intermediate
Farideh Bromfield	EDF & F Man	End Users & Intermediate
Luiz Fernando do Amaral	UNICA	Grower & Producer
Dr. Gopinathan, MC	EID Parry India Ltd	Grower & Producer
Robert Quirk		Grower & Producer
Hari Morar	Tate & Lyle Sugars	Processors
James Primrose	BP Biofuels	Processors
Robert F Dovlo	Cargill	Processors

### ***GUIDANCE FROM MEMBERS TO THE NEW BOARD***

A structured opportunity was created at the AGM to solicit opinions from members present on what areas they would like to see the Board focus on.

### ***ITEMS ON WHICH MEMBERS CONCURRED INCLUDED:***

- Be business like in your approach
  - Make it a true market transformation strategy
  - Step wise approach (standard)
  - Leverage funding
  - Look at the economic drivers for producers. In 2-3 years if there is a surplus will this be given back to the small-scale farmer?
  - Governance structure - The supply chain should be represented in all its parts in the organisation and within the membership of the Board
  - How can we ensure different levels of membership within the bounds of the code of conduct?
  - Learn from other certification systems and Roundtables
  - Partner with others (capacity building, benchmark, audit capacity, local governments, branch organizations, retail involved, declarations of commitment of members, banks)
  - Look beyond the supply chain and how can we best contribute
  - Ensure an effective Communications Strategy is in place
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## **NAME CHANGE**

Probably the most eagerly awaited aspect of the past year was the announcement of the new name, Bonsucro, by which the Better Sugar Cane Initiative will henceforth be known, although the Roundtable will remain registered as the Better Sugar Cane Initiative Ltd at Companies House.

The new name marks the end of the first phase of the Better Sugar Cane Initiative's work as a project bringing together the various stakeholders with the objective of creating a Production Standard.

Now that the initiative has completed this aspect of its work, it is ready to launch the organisation that will deliver the certification programme to the market. To begin to communicate to the marketplace, build recognition and become widely known, that organisation needs one brand, a brand that can be a registered trademark.

The work to find and agree the new name has involved not only members but also professional branding agencies.

The typeface, design and colours incorporate elements of science and professionalism which are balanced with a human touch. The sun symbol represents the fact the sun is a vital force in sugar production, providing energy for the process. It also symbolises warmth and the optimism of a new day.

**BONSUCRO™**  
**BETTER SUGAR CANE INITIATIVE**

## **CONCLUSIONS**

The AGM provided a powerful launch platform for the new face of the Better Sugar Cane Initiative, now Bonsucro. As outgoing Chair Ignacio Gavilan said in his own remarks, both the Standard and the processes and systems comprising the certification model are vital building blocks on the road ahead. We were able to show a public face for the first time of our certification model.

In the New Year the first certifications of Mills using the mass balance chain of custody will commence, and later in the year mass balance will be joined by a certificate trading system which will be of special interest to sugar producers. The new software system for auditors and farmers and millers wishing to establish whether they are potentially compliant with the Standard will also be available to anyone with a computer or mobile/cell phone that has internet access.

The chances are that this will revolutionise good sugar cane farming and processing practices across the world, which will in turn eventually lead to a significant and important reduction in the adverse impacts of sugar cane production.



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