Sub-Saharan Africa • Nigeria

Olam Nigeria Limited: Insight into innovative business for profit maximization, employment generation and development of the farm sector

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Sector • Agriculture; Consumer Products
Enterprise Class • Developing country MNC
Executive Summary

Olam Nigeria Limited as the country arm of Olam International Limited (hereafter referred to as ‘Olam’ or ‘Olam International’) is a supplier of raw and processed agricultural commodities. The main goal of the company is to maximize value for its share holders and keep the company in business by increasing the capital base of the enterprise, increasing its rate of profitability, ensuring growth, and extending the competitive advantage it has over other competitors in the agribusiness sector to be able to sustain its growth over time. The company’s business portfolio cuts across the total product supply chain from procurement of farm products to distribution, using a network of local buying agents, primary processing facilities and logistics. Established in 1989, Olam International sources its products from countries where it operates and sells these products worldwide to over 6,500 customers in 55 end markets. Olam International is highly diversified with direct presence across 60 countries and the business operations are organized around 17 products/business-units.

Olam Nigeria Limited (hereafter referred to as ‘Olam Nigeria’) is structured to achieve rapid and cost-effective organic growth and to exploit opportunities that are adjacent and peripheral to its operations. To avoid the idleness and wastes of facilities, the company consciously selects a product-mix to ensure that trading and marketing infrastructures are constantly utilized. As a multinational company, it is able to mitigate to some extent the problems associated with risks of product failure, difficulties associated with foreign exchange transactions, and uncertainties associated with political upheavals, which tend to stifle business in one single country. Olam Nigeria directly employs 500 people in its operations and generates 10,000 indirect employments. The company engages smallholder farmers by supplying farm inputs and providing ready markets for their products. Its engagement with rice farmers increased farm earnings per hectare from US$235 to US$1,000. Despite Olam Nigeria’s overall success, the company faces a number of challenges including the subsistent nature of local agriculture, paucity of infrastructures of electricity and roads, insecurity, policy inconsistency and the prevailing bureaucratic regime, as well as the slow pace of doing business at the seaports. These problems substantially add to the cost of doing business.

The main actors behind the success of Olam are Kewalram Chanrai (KC) Group, Temasek Holdings, the management team of Olam, and the Group Managing Director and Chief Executive Officer, Mr. Sunny George Verghese. The company is also working in partnership with national and international organizations that help it pursue its goals. As of 21 July 2009, globally Olam International’s total issued shares were close to 2 billion.
Olam’s business model is interwoven with initiatives consciously driven to achieve sustainable development. Olam plans to continue focusing on sustaining its current level of growth while working towards securing growth in the future by expanding into new origins and markets, expanding product portfolio and enhancing margins through deeper supply chain integration.

Introduction

Despite all efforts of governments since 1986 when the Structural Adjustment Programme (SAP) was introduced to use the agricultural sector as a springboard to reposition the economy of Nigeria and for the private sector to take the lead in fostering economic development, the agricultural sector has continued to take a back seat with farmers remaining the poorest of all economic groups.\(^1\) This is in spite of the enormous potentials offered by the sector. The sector employs 60\% of the national labour force, which currently cultivates 50\% of a total land area of 924,000 square kilometres (98 million hectares), 80\% of which is arable.\(^2\) In addition, 2.5 million hectares of land can be brought under irrigation, however only 974,900 hectares, representing 39\%, is currently under irrigation.\(^3\) Until the early 1970s, agriculture was the mainstay of the Nigerian economy. However, a number of factors including: the pursuit of a development strategy based on import substitution in the first decade of independence; the emergence of petroleum as a key foreign exchange earner; and, military adventurism into governance led to the neglect of the agricultural sector and a massive migration of rural dwellers into the cities.\(^4\) Unfortunately, the petroleum sector has remained an enclave since the technology was imported. Consequently, most of the people have found economic solace in the informal sector, which has since loomed large in the economic landscape. Mr. Mukul Mathur, the Country Head of Olam Nigeria Limited however said\(^5\) that: “for now, Nigeria is generating appreciable revenue from the downstream sector of the economy, especially from petroleum, but whether we believe it or not, the country will soon change its focus from petroleum to agriculture because that is where the future of the country lies. Not only this, the revenue that Nigeria will realize from the agricultural sector will be more than that from the oil sector if only serious attention is given to the sector. We should also not forget that after petroleum, cocoa is the next in terms of income generation, at least for now, but a time is coming when cocoa will take over from petroleum.”

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1 Aigbokhan, 2000  
2 FEPA, 1992  
3 FMWR, 1995  
4 Oluwasola and Adegusi, 2008  
5 Quote given on the 21\textsuperscript{st} of August, 2009 at a farmers forum in Ibohidi, a suburb in Osun State in the South western section of Nigeria

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Not only was the Head of Olam Nigeria Limited making predictions about the future of the agricultural business in Nigeria and reiterating what development experts have emphasized over the years but, he was putting on the table an economic menu that Olam had fed on for two decades. In fact, he was stating Olam’s ability to identify the agricultural sector as profitable. Not only this, Olam has succeeded in building an internationally integrated supply chain sourcing 17 products (including cocoa, rice, cashew, cotton, coffee, timber, sugar, sesame, teak and shea nut) and operating in 60 countries beginning in Nigeria from this neglected sector.

How did this company achieve this staggering feat? How did the business take roots in a foreign land like Nigeria and became a leading handler of agricultural products? What are the challenges faced with the attempt to transform traditionally subsistent farmers into commercially oriented ones? What are the social, economic and environmental impacts of its operation on the nation? What impacts does the company have on adjacent non-beneficiary farmers? How do national policies shape company operations and vice versa? Providing answers will enable a thorough understanding of the Olam success and provide the basis for other companies to identify latent opportunities and take advantage of the large market in Nigeria.

**Market and Location Context**

Olam operates in Nigeria and in 60 other countries including Cote d’Ivoire, Cameroon, Ghana, Argentina, China, United States of America, Vietnam and Russia. Olam Nigeria Limited is the regional headquarters of the company in the West African sub-region.

**GEOGRAPHIC AND AGRICULTURAL SETTING**

Nigeria is located in the tropics with two distinct climatic seasons - rainy (which lasts from April to October) and dry (which lasts from November to March) seasons. The length of the rainy season dwindles as one move towards the hinterland from nine months in the southern region to three months in the extreme north. The distribution of rainfall has led to the development of two main vegetational belts, namely the forest and grassland (savannah). The forest belt has three variants including the mangrove swamp, which is mainly the forest belts adjoining the sea; the fresh water swamp, which is the area between the mangrove swamp; and the high forest and the high forest belt. These areas are found in the southern section of the country. The grassland also has three variants namely: the Guinea savannah, which is more wooded and borders the forest belt to the north; the Sudan savannah with luxuriant grassland; and the Sahel savannah, which borders the Sahara desert. The grasslands are found in the middle and northern sections of the country. In mountainous regions, vegetation cover varies as you climb the hill from forest, grassland to desert scrublands depending on where the hill lies. This vegetational belt is called ‘Montane’ vegetation.
DISTRIBUTION OF AGRICULTURAL PRODUCTS AND MINERAL RESOURCES

The southern belt is suitable for the cultivation of tree crops (cocoa, coffee, timber, rice, maize, cassava and yams), while the middle and northern belts are suitable for the cultivation of yams, onions, cereals (notably maize, millet, and sorghum), sesame, and livestock farming. The abundance of water resources also provides good potentials for fishery and fishery related activities.

Nigeria has a rich deposit of mineral resources including crude oil, natural gas, coal, granite, limestone, columbite and other precious metals and gemstones. Currentl, revenue from oil makes over 95% of the country’s earnings.

HUMAN ACTIVITIES AND ENVIRONMENTAL CHALLENGES

Human activities in farming, livestock rearing, urbanization and industrialization are however degrading the Nigerian environment in several areas. Drought and desertification have affected most of the northern region with the Sahel becoming increasingly arid. With increased population and consequently more need for timber and farmlands, deforestation has accelerated. Approximately 400,000 hectares are lost to deforestation annually. The increasing deforestation has also had its devastating effect as soil erosion has become a major environmental problem. While soil erosion affects all parts of the country, it is particularly devastating in the south eastern areas where over population (the region has the highest population density in the country) and the fact that unlike other areas of the country where the rock formation is made up of basement complex rocks, the area is dominated by young sedimentary rock formation. Deforestation and poorly planned cities have increased the spate of flooding which has also become a major national problem. In the oil rich Niger delta, acid rain, degradation of the physical environment through oil exploration and exploitation, and social dislocations resulting from loss of livelihood, poverty and exclusion from the benefits of oil wealth have led to widespread violence, making the region to command both national and international attention.

MARKET POTENTIALS

Nigeria currently has a population of 140 million people. The population is growing at a rate of 3% annually and urbanizing at 5.5% per annum. With a per capita income of US$1,011, Nigeria provides large market potentials for enterprises that can identify opportunities for investment that is rooted in the resources of the land. Agriculture employs 60% of the people and contributes

6 UNS, 2001
7 UNS, 2001
8 National Population Commission (NPC), 2006
9 National Bureau of Statistics (NBS), 2007
nearly 40% of the national Gross Domestic Product (GDP). Petroleum and petroleum products make up 95% of Nigeria's exports, in addition to cocoa and rubber. The top five industries include Petroleum, Telecommunications, Textile/Printing, Construction Materials (steel, cement, etc), and Food Products (agriculture). The Gross Domestic Product (GDP) of Nigeria is about US$112 billion, making it one of the leading economies in Africa. Casting a retrospective view on the market, Mr. Prakash Kanth, the Vice President of Olam Nigeria Limited stated that: “The size and potentials of Nigeria’s market provides good incentive and motivations to grow the Olam business. There is so much that needs to be done that could be done and can be done. There are vast opportunities for growth and improvement.”

DESCRIPTION OF THE BUSINESS MODEL

BUSINESS PORTFOLIO

Olam Nigeria Limited is the Nigerian component of an international and integrated supplier of both raw and processed agricultural commodities. The company is involved in varying degrees across the total product supply chain.

Figure 1: Olam’s Business Value Chain: from farm gate to factory gate

Olam procures farm products from as close to the farm-gate (i.e. from farmers directly) as possible. As a member of an international supply chain management company with adequate and modern access to marketing information, when the commodities are gathered together, Olam distributes them to previously identified markets for the products. The decision to market farm products in terms of time, location and price is solely dependent on Olam’s management. The main guiding principle is the prevailing international/market price regime. Sometimes however, because of its market leverage and financial capacity to import and/or export large consignment of commodities, it is the market that looks for Olam’s products. In Nigeria for example, there is a beehive of activities at its headquarters in Lagos by small traders who want to purchase imported rice from Olam Nigeria to sell at the local market. It is also involved in primary processing, inland transport, warehousing, marine transport, and distribution - using a network of local
buying agents, primary processing facilities and logistics. Established in 1989, Olam as a company has its roots in the Kewalram Chanrai Group (KC Group), which has over 140 years of trading history. Olam sources its products from Nigeria as well as other countries where it operates and sells these products worldwide to over 6,500 customers in 55 end markets. Olam also imports and distributes rice and milk powder from other countries in the Nigerian market. It has developed a unique capacity to operate as one company even though it is highly diversified across 60 countries, 17 products, and 10 functions.

**MANAGEMENT, COORDINATION, STYLE AND FUNCTIONALITY**

Olam Nigeria Limited has its Nigerian management team that makes decisions relevant to its operations in Nigeria. However, the management decisions of the Nigerian team are intrinsically related to the overall international objectives of the company. Policy decisions regarding the operations of the company are made directly from its headquarters in Singapore. The success of the company to operate a highly coordinated business organization that is involved in cross functional and diverse geographical setting from a single point is most fascinating. The strength of the business is the existence of a shared vision and agenda, installation of common operating systems and business culture across the organization. The company is structured as a transnational organization with a three-dimensional matrix structure (products, geographies and functions) to execute its strategies. This structure allows it to build three complementary strategic capabilities namely global scale efficiency and competitiveness; local country level responsiveness and flexibility; and, the capacity to leverage intellectual capital, insight and best practices on a worldwide basis. This fact was attested to by Mr. Prakash Kanth, the Vice President of Olam Nigeria Limited: “Olam maintains an open and collaborative work environment. Everybody contributes to decision making. Olam encourages diverse points of view and uses this to reach the best possible decision that brings maximum advantage to the organization.”

Olam’s flexible business model enables it to achieve rapid and cost-effective internal growth as it pursues growth strategies that enable it to exploit adjacent and peripheral opportunities. Adjacent and peripheral opportunities here refer to businesses that are in tandem with existing business pursuits. The company defines this strategy as developing opportunities in agricultural products and food ingredients which enables it to share customers, costs, capabilities and/or distribution channels with existing operations. This business model is scalable and can be replicated across diversified products, geographic markets, customers and supply chain activities. It has also helped the company to evolve from being a trader in a single product and in one country (Nigeria) to becoming a multi-country, multi-product integrated supply chain enterprise. The business model enables the company to compete favourably with other interests by ensuring growth through product diversification and increased turnover; cost sharing which reduces cost of doing business.
and integrating expertise across products, geographic markets, and supply chain activities to create a diversified portfolio of products and services.

In its farm product dealings, the management of Olam consciously selects a product-mix of northern and southern hemisphere origins so that its sourcing activities for such products can be conducted throughout the year to ensure that trading and marketing infrastructures are constantly utilized. Because of its geographical spread, the company seeks to mitigate the risks of product failure in any one country, difficulties associated with foreign exchange transactions and political upheavals which tend to stifle business. As succinctly put by Mr. Hassan Akeem Olajuwon, Olam Nigeria Limited’s Sales Representative: “Olam is all about promoting the company's image in a highly competitive environment. Generating new ideas and formulating different marketing strategies for the organization so as to maintain its leading capability in the competitive market.”

The main objective of Olam is to “maximize value for its shareholders by increasing the capital base of the enterprise, increasing the rate of profitability, ensuring growth and, extending competitive advantage period to be able to sustain the growth over time.”

In Nigeria, specific objectives include ensuring that farmers:
- have access to modern farm equipments;
- become familiar with scientific production techniques (involving the use of improved seedlings, agrochemicals and fertilizers);
- obtain support in terms of capacity building;
- form farmers’ groups;
- are empowered to timely identify and address environmental issues incapacitating the crop production capacity; and,
- maintain database that will make farming attractive.

In Nigeria, the supply of modern farm equipment is critical for increased productivity. This is because farm incomes earned by small holder farmers are too meagre to afford them. In addition, uncertainties associated with the farm production sector as well as the socio-economic disabilities of farmers (small farm size, illiteracy, and fear of leaving debt for children to inherit), causes banks to discriminate against the farming sector in their credit transactions. Thus, the Olam initiative of providing farm equipment and inputs like tractors, fertilizers, chemicals and seedlings is very important. These equipments are however repaid depending on their terms. Short term loans like fertilizer, chemicals or seedlings are paid back during a production circle. While

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10 Olam mission statement

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medium term loans advanced for tractors or other heavy equipments last over some years. The farmer groups formed are made to serve as collaterals such that the group guarantees the loans as well as ensures they are repaid on time. Where loans are obtained from banks through Olam’s facilitation, they are in form of on-lent arrangements and commercial interests are charged.

Olam Nigeria Limited recognized this limitation and thus encouraged the formation of farmer groups to provide social collateral. The number of people in a group varies. In Nigeria, for a group to be regarded under the cooperative ordinance as a cooperative society, the minimum number is ten. In the food crop producing areas as in Makurdi where rice is produced, the group obtains the loan, disburses the loan to its members and ensures that members pay back these loans on time, too. The group also uses sanctions such as loan denial, to keep erring members in check in terms of their dealings with Olam. Furthermore, it is easy to reach the several individual farmers with inputs, training, new technology or ideas through their groups which they run by themselves. The farmer groups meets fortnightly or monthly to run their business or make their financial contributions. In the cocoa producing areas, licensed buying agents obtain funds from Olam Nigeria, which they use in buying cocoa from the farmers. Farmers can also take loans (including consumption loan for school fees, health care, etc.) from the licensed buying agents. This they pay back in kind with cocoa during the harvesting season.

Capacity building programmes in terms of sustainable utilization of inputs, treatment of farm products, processing, handling and storing outputs, as well as keeping of basic farm data are carried out using the medium of the groups. The cost of the training programmes are borne by Olam Nigeria who sees the training programmes as investments to enhance the productivity of the farmers and consequently, its own business.

Value is created by sourcing farm products at the farm-gate level, processing the farm products, properly packaging these products (e.g. from raw paddy to rice bags and cocoa beans to cocoa powder), and distributing them to areas of need in its global trade channels.

**MARKETING AND FINANCIAL STRATEGIES**

Taking cognizance of the market potentials, Olam used Nigeria as its 'launch pad' in implementing its nascent business plan in 1989 with a shipment of raw cashew nuts to India. Olam’s marketing strategy of investing in products and activities commanding minimal economic attention have worked well in its favour. From raw cashew, it ventured gradually into other products like sesame, shea nuts, sugar, coffee, cotton, cocoa and rice. The economic deregulation policy of government embarked in 1986 further enhanced the operation of Olam and it gradually increased its business in the country. By 1999, a decade after it commenced operation, Olam Nigeria had established itself as the largest non-oil exporter from Nigeria and commands a
leadership position in each of the products in its portfolio. Olam Nigeria is one of the leading importers of rice into Nigeria with branch offices across the country. Olam Nigeria's principal office in Nigeria is in Lagos, with regional offices in Kano and Akure. Olam Nigeria has its procurement and distribution units in 40 locations spread across the country and have set up more than 25 warehousing points. Directly, Olam Nigeria employs 500 people in its offices. However, the activities of the company generate over 10,000 indirect employments in the area of agriculture, marketing, processing and distribution in the country.

Olam is also involved in partnering with financial institutions to provide farmers access to credit facilities. Olam Nigeria has partnered with First Bank, Makurdi, Benue State and some state governments since 2008 to finance rice farmers in collaboration with USAID-MARKETS; a partnership between Olam Nigeria and the USAID Global Development Alliance to develop and implement programmes to enhance farmers’ income through increased farm productivity and quality assurance.

Constraints

The success of the company notwithstanding, it faces a number of challenges some of which can be turned into opportunities and others that require collaboration with other stakeholders to provide solutions. The first sets of challenges are specific to farmers and farming. A decade after independence in 1960, Nigeria’s agriculture began to run against stormy waters. The nation’s overall economic policy of import substitution for industrialization and trickle down strategies to achieve overall economic development during this period, meant little attention was paid to the rural areas where farmers lived and worked. The enormous national income from petroleum in the 1970s worsened the situation as the agricultural sector was virtually neglected. Development was concentrated in the few urban areas, while wages paid public servants was massively increased in 1973. Consequently, there was a massive migration of rural dwellers, especially able bodied youths, who had been providing the required labour for agricultural activities. The old farmers left were and still are largely traditional small scale operators and do not embrace change easily as occurs in the failure of farmers to adopt improved seedlings, stop bush burning when making farms and seeking market information. This limits the drive to transform subsistence farming to large scale commercial-oriented farming. In addition, productivity per hectare is low compared to what is obtained in other countries in the West African region. For example, while the average yield of upland and lowland rain-fed rice in Nigeria is 1.8 tons per hectare (ha) and

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11 Oluwasola and Adewusi, 2008
12 Ibid.
that of the irrigation system is 3 tons/ha\textsuperscript{13} the corresponding values for other countries like Cote d’Ivoire and Senegal in the same sub-region are 3 tons/ha and 7 tons/ha respectively.\textsuperscript{14} Irrigation is also not widely used making farmers depend on rain-fed agriculture, which severely limits output and productivity.

Another challenge to Olam Nigeria is the large farming population and their atomistic operation. In Nigeria, the farming population is over 60 million with each farming an average of two hectares. These farmers are widely distributed over a land mass of 924,000 km\textsuperscript{2}. These farmers are poor and have little or no access to market information. In fact, after selling their products to the licensed buying agents or to Olam Nigeria directly, they are out of the distribution chain as they do not participate in any other decisions regarding the handling, packaging and distribution of the commodities from the collection point to the consumers.

It was this bleak agricultural environment that Olam Nigeria ventured into in 1989. However, Mr. Prakash Kanth stated that: \textit{“This in itself represents an opportunity that Olam could tap into by investing in agricultural production and processing facilities to enhance output and productivity of farmers.”}

One very unique attribute of Olam Nigeria is its ability to view challenges that make others despondent as opportunities that could be exploited given the necessary resources and determination. To solve these farmer specific problems, Olam Nigeria provides credit, improved seeds, training, inputs and the ready market to the small holder farmers.

Other very important constraints are lack of infrastructures particularly electricity and roads, insecurity, policy inconsistency and the prevailing bureaucratic regime as well as the slow pace of doing business at the seaports. These problems substantially add to the cost of doing business. However, these problems are too enormous for Olam Nigeria to single-handedly proffer solutions to hence; the company is working in collaboration with apex business institutions in the country like the Manufacturers Association of Nigeria (MAN) and Nigerian Chamber of Commerce, Industry, Mines and Agriculture (NCCIMA) to press the Nigerian Government to address them.

\textsuperscript{13} PCU, 2001
\textsuperscript{14} WARDA/NISER, 2001
The Business and Its Relationships

The main actors behind the success of Olam are Kewalram Chanrai (KC) Group, Temasek Holdings, the management team of Olam, and the Group Managing Director and Chief Executive, Mr. Sunny George Verghese. Other critical actors are the United States Agency for International Development (USAID), the Bill and Melinda Gates Foundation, First Bank PLC, the International Financial Corporation (IFC) and the governments of Benue, Niger and Kwara States (see Diagram on the next page).

Mr. Sunny George Verghese, who has been with Kewalram Chanrai (KC) Group, an outfit specialized in trade for more than three decades, was mandated in 1989 to build an agricultural product business for the Group. The need for this arose in the quest of the Group to set up an organization that could earn foreign exchange for the home country. The Chief Executive Officer (CEO) of Olam International has the responsibility of steering the company through its expansion and growth plans. However, the strength of Olam is that it is not built around a single personality even though the contributions and authority of the CEO is generally acknowledged and well respected. Rather, as Mr. Prakash Kanth reiterated, “Olam works in a team. It builds an organizational culture which is adopted and internalized by every staff member across all levels. It focuses more on Olam’s way of doing things rather than on how a single individual does things.”

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15 Olam, 2008a
While this approach allows staff members to conceive and bring new and innovative ideas into the system as well as feel part of the whole process, it is good for the long term sustainability of the organization. It is also the reason why Olam exists and performs efficiently and profitably in 60 countries outside the headquarters in Singapore where the CEO is based.

Kewalram Chanrai (KC) Group owns about 460 million shares, representing 23.1% of the total issued share capital of Olam International; while Temasek Holdings holds directly 13.7%. The management team of Olam has about 13.4% in the total issued share capital, which greatly aligns shareholder and management interests in creating value. This was a result of the management team’s subscription to the company’s Employee Share Schemes which were implemented to motivate and retain highly qualified and experienced employees within the Group. The decision to introduce the scheme was reached in a General Meeting in 2005. The shares carried dividends...
and voting rights. As of 21 July 2009, Olam's total number of issued shares was close to 2 billion. The free float owned by public shareholders accounts for approximately 49.8% of the total issued share capital.

The actors provided the necessary financial support for the business as well as a conducive environment for the management team to flourish. The business started as a family business for the Kewalram Chanrai (KC) Group. The company scaled up to allow other partners to inject fund and expertise for the company to gain a larger share of world trade. The capital base of Olam International is worth US$503 million provided by 1.7 billion ordinary shares and has a credit facility of US$3.7 billion. The company handles 742,000,000 metric tons (mt), which is about 0.7% of total global trade of 5.2 billion mt. It has 200,000 suppliers and 6,500 customers worldwide. Sales have been increasing over time. Trade increased by 30.6% from 3.8 million tons in 2007 to 4.9 million tons while revenue also increased by 48.7% from US$3.9 billion to US$34.3 billion. Olam employs over 9,000 people worldwide. Of this, the senior management team consists of 400 managers who are part of the Global Assignee Talent Pool (GATP). These are highly trained managers that can be moved across the globe. In Nigeria, Olam Nigeria employs 500 people in its offices while indirectly providing jobs for over 10,000 people through its production, processing, distribution and marketing activities.

Olam Nigeria Limited, has partnered with First Bank, Makurdi, Benue State and the Benue State Government to finance 9,000 farmers in collaboration with USAID-MARKETS under Olam Nigeria’s out-growers and extension programme at a cost of N500 million (US$3.3 million). The programme has expanded to Niger and Kwara States bringing the total beneficiaries to over 10,000 farmers. This initiative aims at enhancing farmers’ capacity by improving productivity and production through training on improved production practices and adoption of scientific agronomic practices. To drive home its farm modernization practices, Olam Nigeria established a model farm where the farmers could be trained in modern farm techniques. The participation of farmers is voluntary. Interested farmers indicate their intentions through a number of channels including the local buying agents, participating farmers as well as the staff of Olam Nigeria. To participate, a farmer is required to join any of the 150 Cooperative Farmers Associations formed by the rice growers and relating with Olam Nigeria. As members of the cooperatives, farmers are obliged to sell their output to Olam Nigeria, who provides ready market and prompt payment for farm products. This does not mean however that the farmers cannot take their products elsewhere if market prices are higher. There are no written contracts between Olam Nigeria and the farmers. The agreement to sell to Olam Nigeria is therefore binding in honour only, but breaching it means

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16 Olam, 2008b
losing the benefits offered by Olam Nigeria. Mallam Joshua Zambari disclosed that: “Olam pays higher prices than the local small scale traders who compete with them in this area. In addition, they pay promptly. You do not have to wait for long before you get your money. In addition, there are other benefits we do not get elsewhere such as the training, loan and seedlings. This is why we stick with Olam. Olam does not force the relationship, rather, it cultivates it.”

While Olam Nigeria provides leadership for this partnership with the support of USAID-MARKETS, the state governments ensures timely fertilizer supply. Crop insurance is provided by Nigeria Agricultural Insurance Company (NAIC), while credit is supplied by First Bank. Of course, the credit is supplied at prevailing commercial interest rate.

In the cocoa producing belt of Nigeria where Olam Nigeria has its sub-regional office located in Akure, Olam Nigeria relates with the cocoa farmers through licensed buying agents (LBA). The licensed buying agents, most of who are experienced produce buyers, use their capital and/or take seed capital in form of credit to purchase cocoa or other products like cashew nuts from the farmers. The licensed buying agents in turn sell these products to the company at prices higher than what they paid the farmers to keep them in business. They also advance credit to farmers who need it, especially during planting seasons. When asked how this is done to ensure that farmers are not cheated, Mr. Ayotunde Otunla, an accountant with Olam Nigeria at the Akure office said: “You cannot cheat anybody in this business. There are more than 20 cocoa exporters in Nigeria so there is high competition for the farmers’ products and farmers are free to sell to the highest bidder. What we do is to offer good prices after taking into account the international cocoa price and the prevailing exchange rate and still make enough margins for both the company and the licensed buying agents. It is an open trade.”

When asked how they select the licensed buying agents, Mr. Otunla had this to say: “This business is based largely on trust but we also try to ensure we do not fall into the hands of fraudsters by investigating the background of the license buying agents through the sources they came from which is mostly through big time producers who have made their names and built a reputation of honesty over time. We also try to know their capacity and years of experience. We try to look at their asset base such that we do not advance credit beyond the asset value of a licensed buying agent. If they default (which thankfully we do not experience), the asset will be confiscated to pay off the debts but this is not as easy as said because there are legal issues to be solved here and it could take years. They are thus closely monitored by staff members whose job and benefits are closely tied to the licensed buying agents under them.”

Olam Nigeria provides a number of incentives to the licensed buying agents. These include seedlings and chemicals, which are distributed to farmers directly. In addition, cash incentives to
encourage them to meet stipulated targets are also offered. Mr. Blessing Femi, a licensed buying agent in Akure said: “Olam provides us with seedlings and chemicals which are distributed free to farmers. Of course, we also closely monitor such farmers to ensure that they sell to us. In addition, Olam has an outfit called Nuclear Estate Initiative (NTI) which deals with cocoa farmers directly and also help to monitor the cocoa farmers. They also train the farmers on how to use these chemicals. The inputs and the training are done freely by Olam. When an agent has financial problems, Olam also pays higher prices per kilogram of cocoa to that agent than others. This is one way to rehabilitate the agent and we are grateful for this.”

In addition to the licensed buying agents, Olam Nigeria also deals with other traders in what business operators term as ‘see-and-buy’. This means any interested party could bring products to the Olam Nigeria office and Olam Nigeria will weigh it and buy it immediately. As a key private sector development partner, Olam Nigeria has embarked on commercial linkage with cocoa farmers in Nigeria through the support of the Gates Foundation.

Results Created by the Business

Within 20 years, Olam has succeeded tremendously in its drive of creating value for its shareholders. In 2008 alone, Olam International made a total net profit of about US$167.7 million, a substantial increase from its 2007 net-profit level of US$109 million. Its rapid growth is also attested to by the rapid expansion from one country to 60 countries, and from one single product to 17 products. It has diversified from marketing to processing, shipping, warehousing, capacity building, supply of farm inputs to the establishment of model farms. An intriguing issue that is being determined is the impact of this profit maximizing enterprise on its physical and social markets, especially in Nigeria.

PROVISION OF FARM INPUTS AND EXTENSION SERVICES

Olam is a marketing outfit and to get adequate supply of agricultural products, one of the things the company had to do was to engage farmers in their production process. Olam Nigeria developed a model farm concept for the production of rice seedlings to increase rice production in Benue State. A total of 13,500 rice farmers benefitted from the programme (see Table below). In south western Nigeria where cocoa production is a major vocation, Olam Nigeria also helped 1,200 farmers develop model cocoa farms; 1,500 farmers benefitted from cocoa crop development while another 2,285 who belonged to different cooperative societies also benefitted

17 Olam, 2008b
from Olam’s extension services. Olam also provided financial support for 15,200 farmers involved in a sustainable tree crop programme.

Table 1: Activities of Olam Nigeria among Nigerian Farmers

<table>
<thead>
<tr>
<th>Farm Product</th>
<th>Initiative</th>
<th>Number of farmers impacted</th>
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<tbody>
<tr>
<td>Rice</td>
<td>Model farm concepts for seed production</td>
<td>13,500</td>
</tr>
<tr>
<td></td>
<td>Model cocoa farms</td>
<td>1,200</td>
</tr>
<tr>
<td></td>
<td>Crop development</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>Cocoa farmer cooperatives</td>
<td>2,285</td>
</tr>
<tr>
<td></td>
<td>Sustainable tree crop programme with Olam financial support</td>
<td>15,200</td>
</tr>
<tr>
<td>Sesame</td>
<td>Seed distribution</td>
<td>15,500</td>
</tr>
<tr>
<td>Cotton</td>
<td>Farmer extension initiative</td>
<td>5,250</td>
</tr>
<tr>
<td>Ginger</td>
<td>Farmer extension initiative</td>
<td>500</td>
</tr>
</tbody>
</table>


Other farm products were also not left out as 15,500 farmers benefitted from sesame seeds distributed by Olam Nigeria, while 5,250 cotton farmers and 500 ginger farmers benefitted from farmer extension initiatives. Mr. Akinfe Oluwaniyi, a cocoa farmer said of the Olam input programme: “The Olam initiative is a blessing and has really saved the farmer from the problems of getting inputs at the right time. Since I started doing business with Olam, I have good stories to tell. The licensed buying agent in our area here provides inputs to time. They give us free seedlings when we want to start a new farm. They also supply chemicals free. When we have financial problems they give us credit which we repay when we begin to sell our farm products. And the most important thing is that they provide ready market and pay us promptly”. Incidentally, these programmes were replicated in 13 other countries where Olam operates (Ghana, Cote d’Ivoire, Uganda, Liberia, Cameroon, Tanzania, Vietnam, Indonesia, Zambia, Mozambique, Zimbabwe, Brazil and Argentina).

**IMPACT ON FARM PRODUCTIVITY AND FARMERS WELL-BEING**

While these programmes help increase Olam Nigeria’s trade, they also increased productivity as well as enhanced the income received by their farmer-clients. For example, rice farmers that benefitted from the model farm initiative have recorded an average yield of 3.25 tons per hectare.
as against the national average of 1.25 tons per hectare.\textsuperscript{18} In monetary terms, this translates to an increase in farm earnings from US$235 per hectare to US$1,000 per hectare. According to Mr. Prakash Kanth, the increase in productivity has been further enhanced by the fact that Olam Nigeria has:

- invested resources in augmenting local content and the capacity of farmers;
- provided training to enhance farmers’ knowledge of managing their farms;
- developed out growers schemes;
- supplied inputs to farmers at the right time when these inputs are needed;
- accessed farmers to the critical input of farm credit; and,
- provided extension and other farm support programmes including transparent product pricing.

The company provided inputs including 300 metric tons of certified seeds of improved varieties, 60,000 litres of herbicides; 24,000 bags of fertilizers; 6,000 litres of plant protection chemicals and 400 sprayers among others were given to farmers on credit in 2008 and at prevailing market price. In the words of Mr. Babajide Akerele, a cocoa farmer in Ondo State: “The major advantages derived from participating in the Olam farmers’ programmes are the timely supply of inputs and the readily available market for the farm products. They pay us readily and train us on modern methods of processing the cocoa seeds on the farm. We are also able to obtain advanced payment to meet urgent family expenses like paying school fees.”

Although not explicitly specified as one of its goals, Olam Nigeria’s activities have been reported to increase the well-being of the farmers it relates with. Mrs. Lydia Musa, a rice farmer in Makurdi observed that: “With access to credit, we are able to expand our farm, which has brought higher incomes. We are now able to help our husbands to pay school fees, build new houses and pay hospital bills. Instead of waiting for farm inputs like fertilizer that will either not come or come when the planting season is over as it used to be in the past when we depended on local government sources, these inputs are given to us early in the planting season which has helped our farm business.”

Unlike the practice in Mozambique and Tanzania where Olam is directly involved in health and nutrition programmes for its various initiatives, in Nigeria, farmers pay for these services which are provided by other stakeholders in the health sector. In the words of Mr. Prakash Kanth: “Olam deals with a large number of people in Nigeria and it is thus not economical to provide this kind of support. By patronizing them with inputs and market, they earn the money they need

\textsuperscript{18} Olam, 2008a
to provide themselves with social services. We have people in the field to monitor our programmes with the farmers. They actively engage the farmers to ensure that programme objectives are achieved, and when/where necessary, corrections are made to improve on them.”

PROCESSING AND TRADE INITIATIVES

By 2008, Olam Nigeria completed a rice milling company at a cost of US$1.5 million with a capacity of 35,000 metric tons of raw paddy. The company collected nearly 15,000 metric tons by the end of 2008. About 234 people are employed regularly for both the mill and the extension programmes. The company also engaged in buy-backs and insurance coverage for every member of the Olam Nigeria initiative. A very significant aspect of the Olam initiatives is that women are strongly involved in both rice farming and processing.

Olam Nigeria's operations provide substantial benefits to rural areas of Nigeria and other developing countries given the company's ability to enhance the efficiency and transparency of agribusiness logistics as well as knowledge transfer in the primary processing of products which set high standards needed to meet the requirements of international buyers. These provide examples of best practices for local companies to emulate. With Sub-Saharan Africa and Asia accounting each for about half of Olam's production volume, IFC's investment in Olam complements the World Bank's efforts in liberalizing the commodity export markets in many developing countries. It also provides support for IFC’s efforts to promote private sector development and the export sectors (including the diversification of export products) in these countries.

Olam is also consciously working towards achieving sustainable development with initiatives that are inter-woven with its business model. It identifies opportunities to create societal values in the communities within which it operates and uses its expertise and resources for making meaningful impacts. It provides farm inputs, micro-financing schemes, seed capital for local buying agents, advise to improve farming practice and post-harvest care, fair and transparent pricing and regular market updates to the farmers (e.g. about know-how and prices).

Olam also provides seed capital in form of credit to local small-scale buying agents who do not have the financial resources to buy products from farmers in the volume required by Olam for
making a profit. The traders buy from farmers and must sell the products to Olam at Olam’s price, which is higher than what they pay farmers in the field to take into account transport handling charges and profit margins. The local agents, who are sourced by Olam’s staff, pay back this interest-free loan gradually over time. Olam does this to stimulate its business in the countryside where entrepreneurial capacity is low, and to reach out to a wider market since small farmers are typically scattered over the country. Most of them are cut off from basic infrastructural services, so Olam relies on local agents who know the terrain in order to reach them. This process creates jobs and helps distribute wealth along the value chain.

Olam also engages in local capacity building initiatives, which creates employment opportunities and enhances income earnings. Olam is also involved in advocacy to achieve more open and competitive global markets that honour the legitimate comparative advantages of the producing countries where it operates.

ENVIRONMENTAL RESULTS
Olam is committed to protecting and nurturing the environment and has undertaken various initiatives which include promoting sustainable forestry management practices amongst small and medium foresters in West Africa. It encourages farmers to do what they do in the most profitable way by emphasizing on the correct mix of fertilizer and pesticide that should be used during training with the belief that if farmers should operate profitably and sustainably, their interest must align with that of Olam in conserving the natural resource base. Olam has a specialized unit called Nuclear Estate Initiative (NEI) that trains farmers on the use of inputs to ensure the environment is not degraded.

OLAM’S INTERNATIONAL ACCLAIM
The activities of Olam have not gone unnoticed by development partners as it has continued to win accolades in its chosen area of enterprise. The innovativeness and success of Olam’s business model has been singled out for recognition in the 2004 book titled ‘Beyond the Core,’ written by Chris Zook and James Allen. Olam was also written about in the December 2003 Harvard Business Review in the article titled ‘Growth Outside the Core’. The company was also featured as a successful example for building world class strategy in the book ‘Strategy’ written by Mark Daniel. Since 2003, the company has won international awards for good performance (see Annex). In 2008 alone, the company won:

- The Asset Corporate Governance Awards Singapore
- Ernst & Young Entrepreneur of the Year 2008 Singapore
- Sustainable Investment in Africa, Africa investor Awards
- Most Transparent Company, SIAS Investors Choice Awards
- World Business and Development Award (was awarded to Olam Nigeria in 2008).
Growth Strategy and Future Outlook

The future holds much promise as Olam has redefined what it calls ‘its addressable market’ where it will want to operate. Until 2008, Olam defined its addressable market as world trade of agricultural commodities and achieved 742 million tons, which is only 14% of world production of agricultural commodities estimated at 5.2 billion metric tons. It now redefines its addressable market as world production of agricultural commodities. Olam plans to continue focusing on not just sustaining its current level of growth but in securing growth in the future “by expanding into new origins and markets, expanding product portfolio and enhancing margins through deeper supply chain integration.” To achieve this, the company is continually developing new ways of serving its customers, including offering value added services, which will capitalize on current company strengths along the entire supply chain. It will continue to promote the ‘Olam brand’ as a mark of excellence and deepen its reputation as a major player in the commodity market. In Nigeria, as emphasized by Mr. Prakash Kanth, “the company will continue to review its strategies on a holistic basis to make necessary changes where the need arises. The company recognizes that it does not have control over macroeconomic variables. It will thus try to understand the prevailing macro-economic regime and align its activities in the manner that best positions it in the economy. However, it will focus on adding value to the business by engaging in more processing of farm products. The company will also build up various farmer support programmes to ensure that productivity level as well as output of farm products grow substantially.”

The guiding principle for the company in its future strategies is for it to prosper and continue to create value for its customers, shareholders and employees. The company however, does not rule out future challenges to its goals. Such challenges cannot be significantly different from the ones it is facing now, which are similar to what other competitors are facing. However, these challenges represent untapped opportunities that Olam will explore in the future. Current macro challenges may also be significantly reduced given the current efforts of the federal government of Nigeria as well as the state governments to revitalize the agricultural sector, restore the physical and social infrastructures (electricity, roads, and railways,), make government business more transparent, restructure the seaports, and improve on wages in the country. When and if these take place, the opportunity horizon of Olam will greatly expand.

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Annex

DETAILS OF INTERNATIONAL ACCOLADES WON BY OLAM

Olam International has received several recognitions for its excellence in leadership, management, corporate responsibility and sustainability, investor relations, corporate governance and transparency, and human resources practices.

I 2008 Awards

a. The Asset Corporate Governance Awards 2008, Singapore
Olam was ranked third in The Asset Corporate Governance Awards 2008 in Singapore. As one of Asia's leading financial publications, The Asset assessed corporate governance standards based on The Combined Code Principles of Good Governance and Code of Best Practice derived by the magazine's committee on its final report and from the Cadbury and Greenbury Reports as well as the White Paper on Corporate Governance in Asia produced by the Organization for Economic Cooperation and Development. As part of its rigorous assessment process, issuers and investors, who constitute the bulk of The Asset's readership, are consulted in the process either through the Asset Benchmark Research or in the course of the Triple A selection.

b. Ernst & Young Entrepreneur Of The Year 2008 Singapore
Group Managing Director and CEO, Sunny Verghese, has been named Ernst & Young Entrepreneur Of The Year 2008 Singapore and will represent Singapore at the Ernst & Young World Entrepreneur Of The Year award in Monte Carlo in 2009. Earlier, he was announced the Ernst & Young Entrepreneur Of The Year 2008 under the "Commodities Supply Chain" category. The Ernst & Young Entrepreneur Of The Year awards was first launched by Ernst & Young in the United States in 1986 to honour entrepreneurs whose ingenuity and perseverance created and sustained successful, growing business ventures. Today, the awards programme has expanded to more than 135 cities in over 50 countries, with awards presented to over 1,000 of the world's most outstanding entrepreneurs annually. It is also recognised as one of the most prestigious international business awards in the world.

20 Olam, http://www. olam.listedcompany.com/accolades.html -
c. Sustainable Investment in Africa, Africa investor Awards 2008

Olam received a second runner-up award for Sustainable Investment in Africa at the Africa investor (Ai) Awards 2008 held on October 27, 2008 in Durban, South Africa. Organised by the Africa investor Group, a provider of investment data, research, broadcast and published content to investors with interests in Africa, the Ai Awards are pan-African business and investment awards that recognise and reward the achievements of the private sector across wide-ranging sectors and disciplines. The awards reward exceptional business practices, economic achievements and investments across the investment spectrum in Africa, and Olam was second runner-up under the Sustainable Investment in Africa category. In addition to business success, the awards emphasise responsibility towards society and good corporate citizenship. The judging panel for the Ai Awards included representatives of the Commission for Africa, African Development Bank, UN Fund for International Partnerships, African Business Roundtable and advisors of the UN Industrial Development Organization.

d. Most Transparent Company, SIAS Investors Choice Awards 2008

Olam was awarded the "Most Transparent Company" award for the "Commerce" category by the Securities Investors Association, Singapore (SIAS) at the SIAS Investors' Choice Awards 2008 in October 2008. This marks Olam's third win in a row since 2006. In the year 2005 when Olam was publicly listed, the Group was runner-up to the same award and won the "Most Transparent Company" award for the "New Issues" category.Introduced nine years ago to recognise Singapore-listed companies for their efforts in promoting good corporate governance, the awards are based on key criteria such as timeliness, substantiality and clarity of news releases, degree of media access, frequency of corporate results, availability of segmental information and communication channels. Winners are selected from nominations received from investment analysts, heads of research, fund managers and members of the mass media.

e. 2008 World Business and Development Award

Olam Nigeria received the 2008 World Business and Development Award, in support of the Millennium Development Goals of the United Nations Development Programme. The biennial World Business and Development Awards acknowledge the contribution of the private sector to help achieve the Millennium Development Goals through their core business. Olam, through its rice extension farming and out-grower programme in Nigeria, has been focusing on increasing the overall returns to the rice farmer through enhanced productivity, improved quality and guaranteed buy-back of crop. This initiative has grown from supporting 1,000 farmers in 2005 to more than 10,000 farmers by 2008. It has helped farmers increase their yields and quadruple their earnings from the farm.
II. 2007 Awards

f. Most Transparent Company, SIAS Investors Choice Awards 2007
Olam was awarded the "Most Transparent Company" trophy for the Commerce category by the Securities Investors Association, Singapore (SIAS) at the SIAS Investors Choice Awards 2007 in October 2007. The awards are based on key criteria such as timeliness, substantiality and clarity of news releases, degree of media access, frequency of corporate results, availability of segmental information and communication channels. Winners are selected from nominations received from investment analysts, heads of research, fund managers and members of the mass media.

g. Best Investor Relations Program, Stevie Winner Investor Relations Website, Stevie Finalist Fourth Annual International Business Awards 2007
Olam International is a Stevie Award Winner of the "Best Investor Relations Program 2006" at the fourth annual International Business Awards, the world's only international, all-encompassing business awards programme. The company is also a Stevie Finalist for the "Investor Relations Website" award.

Hailed as "the business world's own Oscars" by the New York Post (April 27, 2005), Stevie Awards are conferred to honour companies of all types and sizes and the people behind them, recognising outstanding performance in the work place worldwide. Recipients of the 98 International Stevie Award trophies were selected from more than 1,000 nominations received from companies and individuals in more than 30 countries.

h. Best Managed Boards (Silver) Award Best Annual Report (Gold) Award for Newly-listed Firms Best Investor Relations (Bronze) Award Singapore Corporate Awards 2007
Olam International received three prestigious honours at the Singapore Corporate Awards 2007. They are the Best Managed Boards (Silver) Award, Best Annual Report (Gold) Award for Newly-listed Firms and Best Investor Relations (Bronze) Award in the more than S$500 million market cap category. These three awards recognise companies for achieving a high distinction and setting exemplary standards and practices in corporate governance and communication to shareholders. The Singapore Corporate Awards are organised by the Business Times in collaboration with UBS and supported by the Singapore Exchange.
i. **Outstanding Chief Executive of the Year, Singapore Business Awards 2007**

Group Managing Director and CEO, Sunny Verghese, was named "Outstanding Chief Executive of the Year" at the Singapore Business Awards (SBA) 2007. For this Award, leaders of organisations were judged on their performance in three key areas 'Managerial Skills, Financial Performance and Contributions to the Community' by a distinguished panel of judges drawn from the political, business and academic fields. In its citation, the SBA recognised Sunny Verghese "for his exemplary leadership and vision in propelling Olam International from a start-up in one country with one product to a leading global supply chain manager of 14 products operating in 52 countries".

### 2006 Awards

j. **Best Executive in Singapore for 2006, by Asiamoney**

Group Managing Director and CEO, Sunny Verghese, received the accolade of Best Executive in Singapore for 2006 awarded by the magazine Asiamoney. For the magazine's Best Executive awards, key senior management figures in Asia-Pacific were judged on their performance over 2006 by Asiamoney, following extensive research and in-depth interviews with key analysts and investors in each country. Judging the top regional executives took into account a wide variety of factors, including overall financial and business performance, management strategy and vision, investor relations, access to management, transparency, and awareness of shareholder value and operational efficiency. These awards are closely watched by top executives in the fund management industry and are widely seen as one of the highly regarded awards in the Asia Pacific region.

k. **Best Investor Relations Officer, IR Magazine South East Asia Awards 2006**

General Manager (Corporate Affairs), Suresh Sundararajan, was "highly commended" for the "Best Investor Relations Officer" award for a large cap company at the IR Magazine Awards South East Asia Conference and Awards 2006 in October 2006. The IR Magazine awards are internationally recognised as an accurate and valid measure of excellence in Investor Relations due to its independent survey of portfolio managers, buy-side analysts and sell-side analysts on which they are based.

l. **Most Transparent Company, SIAS Investors Choice Awards 2006**

Olam was awarded the "Most Transparent Company" trophy for the Commerce category by the Securities Investors Association, Singapore (SIAS) at the SIAS Investors Choice Awards 2006 in September 2006. The awards are based on key criteria such as timeliness, substantiality and clarity of news releases, degree of media access, frequency of corporate results, availability of segmental information and communication channels. Winners are selected from nominations.
received from investment analysts, heads of research, fund managers and members of the mass media.

m. Leading Corporate HR and HR Practices Awards, The Singapore HR Awards 2006

Olam was awarded the "Leading Corporate HR" and the "HR Practices Awards" conferred by the Singapore Human Resources Institute in May 2006. The Singapore HR Awards serves to honour and recognise organisations that are leading the pack and provide benchmarks in enhancing people and human capital management and development practices.

IV. 2005 Awards

n. Best Investor Relations for an IPO, IR Magazine South East Asia Awards 2005

In recognition for its IPO performance, Olam won the "Best Investor Relations for an IPO" award at the IR Magazine South East Asia Conference and Awards 2005 in November 2005. The IR Magazine awards are internationally recognised as an accurate and valid measure of excellence in Investor Relations due to its independent survey of portfolio managers, buy-side analysts and sell-side analysts on which they are based.

o. Most Transparent Company for New Issues and Commerce Category, SIAS Investors Choice Awards 2005

In recognition of its efforts in raising corporate governance and transparency levels, Olam was awarded winner of the "Most Transparent Company" for the "New Issues" category by the Securities Investors Association of Singapore (SIAS) at the SIAS Investors Choice Awards 2005 in October 2005. The company also received a runner-up "Most Transparent Company" award under the "Commerce" category. The awards are based on key criteria such as timeliness, substantiality and clarity of news releases, degree of media access, frequency of corporate results, availability of segmental information and communication channels. Winners are selected from nominations received from investment analysts, heads of research, fund managers and members of the mass media.

p. Human Resources (HR) Award in Compensation and Reward Management, 2005

Olam was conferred the "Leading HR Practices Award in Compensation and Reward Management" at the Singapore HR Awards 2005 ceremony. The Singapore HR Awards serves to honour and recognise organisations that are leading the pack and provide benchmarks in enhancing people and human capital management and development practices.
V. 2003 Award

q. Computerworld Honors 2003 Finalist
Olam was nominated as a "Computerworld Honors 2003 Finalist" for its application and development of the Electronic Suppliers Integration Project (eSIP), a central server in Singapore that communicates on an offline and online mode, with numerous locations in Africa, Asia and South America where sustained internet connectivity is not available, thereby automating the supply chain for agricultural raw materials.
The case was completed in February 2010 and released in 2011.

The information presented in this case study has been reviewed by the company to ensure its accuracy. The views expressed in the case study are the ones of the author and do not necessarily reflect those of the UN, UNDP or their Member States.

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