

RMB's strategic focus has been on sustainability for many years. Various activities such as carbon-neutral production, energy efficiency, waste management and lately solar power are helping us to implement this. With a growing range of organic and in particular fair-trade rice, we are setting trends in Europe. This segment has reported very pleasing growth figures over the past few years. The first fair-trade rice was introduced in European supermarkets in 2002, and has since developed continuously and successfully. The percentage of fairly traded rice produced by RMB again increased by an above-average amount in 2011. This market segment opens up export opportunities for RMB to enable it to achieve its growth targets. Our many years of experience mean we are ahead in terms of knowledge, boosting our motivation and creating a distinctive feature among our competitors in the European market.

The development of organic rice

In the year under review, new types of organic rice came onto the market and were offered to consumers in Coop outlets. These products were very well received. Demand from third-party customers in Switzerland and abroad is also rising in this area. The proportion of organic rice we produce has thus increased from 10% to just under 18%. Additions to our range have enabled us to supply all areas of the rice market. In addition to brown rice and risotto rice, we also offer the latest trends of jasmine rice and basmati rice and, since 2011, parboiled rice, all of which are becoming increasingly popular.

The development of fair-trade rice

Reismühle Brunnen has been successfully producing fair-trade rice, combined with organic cultivation, for around 10 years. Demand for these products continues to soar, both in Switzerland and its neighbouring countries. RMB's activities in the area of fair-trade rice have already resulted in a rise in the proportion of fairly produced and traded rice to over 20%, indicating that this is definitely no longer just a niche business.

From the fair-trade sales generated, as much as 40% is exported. With its wide range of fair-trade rice, RMB is a great deal closer to achieving its goal of becoming **THE provider of fair-trade rice in Europe**. The sales trend in fairly produced and traded rice is thus reaching a challenging pace, which we are taking the appropriate measures to meet. RMB foresaw this development and is working together more closely with farmers' cooperatives in India and Thailand. It has been able to continually improve and intensify the sourcing of the necessary volumes over the past few years, which clearly sets the company apart from the competition and provides an advantage in terms of knowledge and sourcing.

Sustainable rice production project

Reismühle Brunnen, in cooperation with Helvetas and supported by the Coop Sustainability Fund and Max Havelaar, has launched an integrated sustainable sourcing project for rice from India and Thailand.

Objective

Coop/RMB and Helvetas are joining forces to create sustainable value chains for rice which have a positive effect on farmers' incomes and living conditions and less impact on the environment.

The project is principally being financed by Coop's Sustainability Fund. In addition, RMB, Helvetas and Max Havelaar are contributing financial and human resources. This is a key factor in the success of the project.

As a Coop production factory, Reismühle Brunnen (RMB) wants to continue to establish itself as a reliable pioneer in quality and sustainability and use this to stand out in a fiercely competitive environment to increase the consumption of sustainable rice. This will enable the company to tap into the potential for expansion in the market and strengthen its leading position in fair-trade rice.

An integrated approach

The project will help to combat poverty by giving farmers more independence and a higher income. This will be ensured by awarding all farmers' organizations the Max Havelaar label, thereby certifying that all the social standards are complied with. Certified value chains are an efficient way of reducing poverty. Environmental standards will be strictly observed through the cultivation methods that the project aspires to. One main goal of the project will be to obtain the Bio Suisse bud standard, representing the best possible ecological farming and processing methods. Procedures are also being developed to achieve a significant long-term reduction in greenhouse gases and ensure that water is used sensibly.

Rice is a staple food in the regions in which it is grown and is available in sufficient volumes in these countries. Therefore, food security in India and Thailand is in no way endangered by exporting the volumes of rice required by this project. Certified value chains are an efficient way of reducing poverty. They increase food security through measures including diversification in cultivation, and enable farmers to earn additional income.

The quality of the rice is checked multiple times. RMB's direct on-site cooperation with its partners in India and Thailand means that quality requirements can be communicated, and knowledge about quality passed on directly. These requirements correspond to the highest quality standards which are mandatory in Switzerland and the EU. Stringent employee health and safety requirements also apply to processing facilities.

Baseline study

The baseline study carried out in spring 2011 indicated a need for action, and also that keen farmers' groups and existing cooperatives are willing to get involved in such an extensive project. In India, we are moving towards growing rice in mountainous regions in order to eliminate the current contamination problems in the existing cultivation areas. The reduction in water use will be faster and more efficient to achieve. In addition, farmers in mountainous regions are significantly worse off than those in the lowlands. Tests are being carried out in two different areas. Due to the late sowing time, the result is not yet to our total satisfaction.

In Thailand, we can move to a new area where small cooperatives have already been growing organic crops for some years and work according to fair criteria. This is an arid region and therefore very susceptible to changes in climate, which is apparent from the risk of crop failures. Such failures cause economic and social problems in the region. Our cooperation with a small cooperative got off to a good start, and the first harvest from the new members of the cooperative is very pleasing. The first imports from the project should be possible as early as spring 2012.

Brunnen, January 2012