

Shell Foundation – creating new supply chains in the market

2010-03-20

Shell Foundation's Trading Up programme unlocks markets for developing country producers by providing seed capital, business mentoring and strategic partnerships with major retailers to create sustainable supply-chains

Intending to link the small and marginal cotton farmers in India directly with the international retail brands, Shell Foundation is looking to create an ethical agent who will act as a bridge between the poor farmers and multinational retailers.

The foundation conducted a joint report with Marks & Spencer called "Fresh : Creating New Pathways to Ethical Sourcing" based on which it concluded that it was possible to create new supply chains in the market, according to Anuradha Bhavnani, Programme Director, India, Shell Foundation (SF).

FOCUS : INDIA

This commercial intermediary, by bridging the gap between the producers and retailers, would be able to reduce poverty at the farm level and deliver commercial returns to retailers, she said.

The focus of this new organization would initially be India.

Last year, the foundation conducted a market research gauging the response and feedback of more than 25 leading retailers globally. The demand of organic cotton was found to be far more than the supply, with visible gaps in the market. "Retailer demand is there, especially for innovative products or those with ethical and green credentials. Retailers, however, often lack the ability to reliably source the quality products at the scale they require," she said. The ethical agent would not be a charitable institute but an enterprise-based on delivering the triple bottom-line of social, environmental and financial sustenance.

"Shell Foundation's Trading Up programme unlocks markets for developing country producers by providing seed capital, business mentoring and strategic partnerships with major retailers to create sustainable supply-chains. The idea of an ethical agent is sustainable, self-financing and replicable over time.

In India SF has been partnering Agrocel and has converted 50,000 farmers from chemical intensive to more sustainable and organic farming. Marks & Spencer became the first high street retailer to sell Fair-trade cotton garments sourced from Agrocel.

With a total investment of \$10 million in India, the SF is present in 10 states. It often uses the resource, knowledge, brand and infrastructure

(As printed in the Hindu Business Line)

DISCOVER MORE

Shell Foundation in India

Learn more about the Shell Foundation programmes in India

- [Shell Foundation India](#)