



20th April 2013

CICILS IPTIC Operational report for members YTD 2013

During the last year the CICILS IPTIC Executive approved the organisation's first formal 5 year business plan. Based on the goals agreed in that plan we set ourselves extensive and significant action targets within a comprehensive Annual Operating Plan (AOP) for the 2012/2013 year, finishing on 31st August this year.

It is extremely pleasing to be able to report to our members that by half way through the year, we have in very large part already achieved many of the objectives set out in that AOP.

It should be noted here that while there are moderate salaries and administrative expenses for the small permanent CICILS staff, all work carried out by members of the Executive Committee has been voluntary. Members of the Executive committee receive no remuneration of any kind and cover their own expenses to attend regular executive meetings and many other events and functions during the year to represent the common good of all sectors of the global pulse industry.

The following provides an overview of CICILS' achievements to date against the numbered objectives of the Annual Operating Plan.

AOP Objective 1.

Extended membership to the broadest possible pulse industry related base.

As a result of outreach activities conducted in a number of countries during the last year by President Hakan Bahceci, and many of our Executive Board including Sudhakar Tomas, Pravin Dongre, Anurag Tulsan, Remo Pedon, Andrew Jacobs and others, national associations from Myanmar, Singapore, Ethiopia, Turkey, Japan and most recently Ukraine have now joined our confederation increasing our association full membership now to 16.

The very recent entry of the British Edible Bean Association into a strategic alliance with us, and the expressed support of GAFTA to assist in our project to have 2016 declared UN International Year of Pulses (IYOP) also increases our visibility and strength. Alliances of this sort will be a topic for discussion in Singapore as a potential opportunity to extend CICILS' reach further and positively impact our growth in the future if we can agree on a model. (For example DMCC has expressed interest in some sort of continuing association).

As part of the *"inclusion, integration and fair regional representation"* policy that we have been implementing over the last couple of years, we have for some time had members representing their various countries on our Executive Committee from Argentina, Australia, Brazil, Canada, Chile, China, Egypt, France, India, Italy, Pakistan, Spain, Sri Lanka, Switzerland, South Africa, Turkey, UAE and USA. Following the elections held at the Executive meeting and general assembly during the recent Singapore convention there is now additional representation from Ethiopia, Japan and Myanmar.

It is a testament to the work of the various committees involved, our outreach program and the dedication of the staff in promotional activities at SIAL in 2012 and Gulf Food this year that total registration for the Singapore convention is well in excess of 700 participants from over 50 countries,

despite a number of last minute cancellations due to illness or concern at the potential outbreak of the new bird flu strain.

AOP Objective 2.

Leadership in development of good reliable value chain linkages and relationships

As mentioned above, for the first time in the history of CICILS, a coordinated outreach program was organised by President Hakan Bahceci and the CICILS staff during this term with highly successful “Road shows” in Nepal, China, India and Ethiopia – greatly increasing our visibility and exposure, and involving local pulse trade and others in the countries visited. Special thanks are due to Sudhakar Tomas, Pravin Dongre, Anurag Tulshan and Remo Pedon in particular for their considerable contribution to this project. At another level, CICILS has joined the International AGRI-FOOD network and President Hakan, Executive Director Gavin Gibson and others of the Executive including Remo Pedon and Gordon Bacon have attended meetings (particularly where they have been relevant to our IYOP project) including side events at FAO and a number of phone conferences bringing together a broad spectrum of the global food industry - from grower representative bodies through to multinational food corporations and logistics companies.

Both president Hakan and the Executive Director will be attending the annual meeting of this organisation in person in June 2013.

AOP Objective 3.

Guidance to members in ethical trade relationships and facilitation of contract integrity.

Our Dispute Resolution Mechanism is now in place with 9 fully trained mediators from the CICILS membership. Although there has not been a case brought forward for mediation to date, there has been considerable discussion amongst members and a growing awareness of the need for transparency and integrity in contractual arrangements. Special thanks are due to Andrew Jacobs for his leadership in this project, for his invaluable liaison with GAFTA, and for his initiation of specific publications related to mediation, arbitration and contract integrity in the e-magazine and for our website and convention handouts. Andrew has continued his vital interest in this important policy area by initiating a survey (conducted in March 2013 by the CICILS staff using “survey monkey”) to gauge current understanding of existing mediation and arbitration systems by members and for use in part in determining the next steps in this area of CICILS services to members. Andrew addressed the results of this survey and presented his recommendations in a special session following the keynote speaker at the Singapore convention.

AOP Objective 4.

Promotion of pulses through supported R&D projects that can improve the common good of the industry and ensure supply

As a not for profit body with limited resources, we have decided to make our campaign to have 2016 declared IYOP the focal point for CICILS to engage in appropriate R&D projects and if necessary provide some funding support for them. It is a strongly held condition of FAO in awarding an international year that industry should contribute funding to research that complements the year and also use this as leverage to gain additional or matching support funding where possible from national governments and charitable organisations (such as perhaps the Bill and Melinda Gates foundation).

At the Paris Executive meeting it was unanimously agreed to set aside \$100,000 per annum (provided income streams allow) as a fund against expenditure on R&D related to the IYOP. We have confirmed the continued appointment of our specialist consultant (Robynne Anderson) within this budget to

coordinate the development work for this project and provide guidance on what other R&D projects may be considered as part of this project.

In November 2012 Gordon Bacon and Gavin Gibson attended a 4 day workshop conducted by the McGill World Platform for Health and Economic Convergence funded by the Rockefeller Foundation in Bellagio, Italy and attended by representatives as diverse as the World Bank, Government of Bangladesh, Save the Children fund, Bill and Melinda Gates Foundation and private food industry participants. The workshop was convened by Professor Laurette Dube of McGill University in Quebec, Canada with the aim of developing a “Whole of Society Solution for, and with the poor and vulnerable” – with an accent on health and nutrition and global food security.

Essentially the workshop was seeking ideas from participants for R&D projects that might be funded and might provide answers to feeding the over one billion underfed people in the world.

In response to a letter written by Gordon following the workshop Professor Dube has indicated that she sees pulses (and novel uses of them) as an integral part of the answer and has expressed support for our IYOP project and the intention to align this aspect of McGill foundation work with CICILS IPTIC and national association members of CICILS who are involved in pulse R&D, in support of research projects going forward.

In the meantime we have commenced making connections with researchers already engaged in Pulses R&D both directly and through national associations that may be involved to ensure there is general awareness of what work is already being undertaken. As a consequence we have already published a number of articles in our E-magazine and on the website reporting on R&D project results from Australia, and Canada and presented two very important sessions at the Singapore convention on “Global Food Security, Health and Nutrition” and “New Food development” with key invited speakers including Deputy Director of the FAO Trade and Markets Division, Boubaker Ben Bel-Hassen.

AOP Objective 5.

Promotion of pulses through enhanced global awareness of pulses as healthy, ethical and environmentally friendly.

The global pulse industry is by nature fragmented and divided. As a consequence its importance is not always recognised. During the last two years we have identified and publicised an industry worth US\$100 billion annually through a range of activities ranging from promotional handouts, wide distribution of our e-magazine and aligning ourselves with key government and multinational bodies.

During this period we launched the project to have 2016 declared United Nations “International Year of Pulses” (IYOP) to create awareness globally for pulses in terms of health, nutrition and food security.

As mentioned above, we appointed a specialist consultant, Robynne Anderson to drive this project, and have now confirmed her continued tenure for 2013. Robynne will report at our Board meeting and in a session moderated by President, Hakan Bahceci at the Singapore convention itself.

Campaigns were organised that included several of our Executive Board members liaising with key government officials and Ministers in Turkey, Canada, Australia, USA, India, and Italy and which gained extensive international support for the project. President Hakan Bahceci and I addressed a side meeting of representatives at the FAO in October last year following which Turkey moved the motion in FAO in November 2012 and received extraordinary support from the FAO council members.

The Turkish ambassador in Rome has organised a reception at his residence on April 23, 2013 inviting diplomatic missions of various countries, seeking support to our project. We hope to get the motion approved by the council members during this week of April 21-26, 2013. It will then be voted in the FAO General Assembly, followed by another approval process, this time at the United Nations Assembly in New York. Special thanks should go to Robynne Anderson, Remo Pedon, Gordon Bacon, Tim McGreevy, Pravin Dongre, Huseyin Arslan, Cindy Brown and too many more to list here who have contributed to this effort

President Hakan, Gavin Gibson and some of our Executive Board members including Remo Pedon and Gordon Bacon have also participated in a number of international forums during the last year with the aim of increasing awareness, production and consumption of pulses. Amongst these are included the UN World Export Development Forum over three days in Jakarta, several meetings with the FAO in Rome, and as mentioned above, a 4 day workshop on global food security convened by the McGill Foundation and funded by the Rockefeller Foundation with support from the Bill and Melinda Gates foundation, in Bellagio, Italy.

AOP Objective 6.

Developed action and reaction plans to deal with issues of market access and development

A steering Committee of the CICILS Executive was put in place that included representatives from USA, Canada, UK, Germany, Italy and Belgium and which worked over many months with EU legislators and Codex Alimentarius to resolve a very difficult situation which the industry faced in 2011 concerning Glyphosate residues. Other members of the Executive worked behind the scenes with the appropriate government officials in their countries to ensure a unified voice was brought forward. The issue, which without CICILS intervention would almost certainly have resulted in severe restrictions on the global movement of pulses, is now resolved. Special thanks are due to Michael Kemperdick from Schlueter and Maack and Andrew Jacobs for leadership in this project. We now have a model in place for resolution of such events in the future.

AOP Objective 7.

Enhanced relationships with international NGOs, FAO, CODEX, GAFTA, etc, and national governments.

As discussed in a number of notes on other objectives above, we have during the year mounted extensive relationship building activities with FAO, UN, Codex, GAFTA, World Food Program and national governments resulting in enhanced awareness of CICILS and its objectives.

This has led to some remarkable achievements including amongst many others discussed elsewhere in this paper, the very important resolution of the Glyphosate issue mentioned above, and the gaining of letters of support for our IYOP project including from Ministers of Agriculture in Australia, Canada, Turkey, USA and many others. In many cases these were the first approaches made directly to government ministers in various member countries by CICILS (in conjunction with national associations) and has resulted in a significant increase in awareness of CICILS within their bureaucracies – AND within the national associations themselves.

Another good example of how we are pursuing these connections is that one of the inaugural CICILS IPTIC awards for excellence was awarded to the UN World Food Program at our Dubai conference. We were privileged to have Mr Roberto Marchetti, Head of the UN International food procurement unit as a guest keynote speaker, and he graciously accepted the award on behalf of UNWFP.

The excellent relationship now developed with GAFTA, largely as a result of Andrew Jacobs' work, and other relationship building efforts with FAO - in particular relating to our IYOP project - have been dealt with exhaustively elsewhere in this paper.

AOP Objective 8.

Enhanced relationships with appropriate government authorities in all exporting and importing countries, and in close conjunction and cooperation with national associations for the good of the pulse industry in general.

Many of the activities CICILS has been involved in during the year and related to this objective are dealt with in detail elsewhere in this paper but in brief they include:

- Dramatic increase in new country national association membership to 16. (see 1. Above)

- Multi-nation outreach promotional visits conducted. (see 2. Above)
- Market and access issues Steering Committee work re Glyphosate. (see 6. Above)
- Successful liaison at highest level to gain individual national governments' agriculture ministerial support at FAO for IYOP. (see 7. Above)
- Development of new relationship with IE Singapore (Singapore Government International Economic Development Corporation). Mr Sunny Verghese, Chair of IES is keynote speaker at the Singapore convention.

AOP Objective 9.

Increased visibility with global financial and service providers to support global pulse pricing mechanisms.

Work in this area is ongoing and involves delicately negotiating with sectors of the value chain that sometimes have very conflicting vested interests. Up to the minute pricing statistics are jealously guarded as they are seen as a benefit to the party holding them. CICILS has cemented its relationship with DMCC which not only provides us with a free office and other benefits, but has in the past expressed a desire to provide a pulses exchange based in Dubai. So far this has not materialised and we have it on the agenda for further discussion.

We will continue to make this a priority issue for coming months and hope to report more positively at the next Executive meeting.

AOP Objective 10.

A superb and "must attend" global industry convention held in a different country each year.

Our Dubai convention in 2012 was hailed by our members as the "best ever" CICILS Convention with record attendance.

We now have in place an excellent staff in our Dubai Office who, having "cut their teeth" on a local convention last year (with great assistance from the local industry participants (especially from President, Hakan, Sudhakar and the Hakan Foods staff). With that experience under their belt they have this year managed the very successful coordination of their first convention in Singapore - obviously an overseas country from Dubai and a much more difficult proposition.

As mentioned in 1.above, it is a testament to the work of the various committees involved, our outreach program and the dedication of the staff in promotional activities at SIAL in 2012 and Gulf Food this year that we have well over 700 participants from over 50 countries for this year's convention - in a year when many in our industry faced lower profitability and in some cases severe hardship.

A special mention must be given here to the tireless work of Sudhakar Tomas and the sponsorship committee, who have once again "pulled a magnificent rabbit out of their hat" and ensured that our 2013 50th Anniversary convention is so successful.

At the Executive committee meeting held in Singapore to coincide with the 2013 convention a final choice of city for the 2014 convention was made confirming Cape Town (subject to inspection and final negotiation)

AOP Objective 11.

Provision of a forum for transparent exchange of market signals and other strategic S&D information.

As a result of responses from members after the last two conventions, we have modified the convention program so that it includes a bigger selection of panel sessions on individual crop S&D with greater opportunities for questions and interactive discussion, along with keynote sessions on issues of broader interest such as health and nutrition. This provides much greater opportunity for regional participation and has greatly enhanced information exchange.

The newly designed website (which is still a work in progress) allows us to rapidly disseminate information to members as it comes to hand. News items can be immediately uploaded and emails are sent to members advising them so that they can access information as they see fit – *never the less there has been a slow uptake of this opportunity to rapidly disseminate strategic information.*

During the year we introduced the Pulse POD E-magazine under the watchful eye of editor G. Chandrashekar, and with a committee of the Executive charged with its progress. *While the e-magazine has been well supported by some members (notably Australia and Canada) the committee has experienced some difficulty in getting regular contributions of real value.*

Clearly some work needs to be undertaken during the rest of this year to improve content for both the web and the e-magazine, and there was considerable discussion about this amongst members of the Executive committee at the Singapore Executive meeting.

The same can be said of the use of Social Media – Face book and Twitter, and it seems an impossible task to get our members actively involved. We have discussed this last at length at two workshops with the emerging CICILS YOUNG PROFESSIONALS Group and they are undertaking to look further at ways we can enhance this area of communication amongst other activities they are considering.

AOP Objective 12.

Active CICILSIPTIC “ambassadors” on the ground in each member country.

As time has progressed this concept has been somewhat overtaken by events and as we now have 16 national association members, representatives from each of these have in many ways become the “de facto” country ambassadors and achieved much of the thrust of this objective in a different way.

For example for the “Outreach” program last year, Pravin Dongre and Anurag Tulshan amongst others joined President Hakan and Sudhakar Tomar in their successful presentations in five countries.

In some respects our committee system has improved dramatically and Andrew Jacobs, Michael Kemperdick, Gordon Bacon, Remo Pedon and Tim McGreevy amongst others were not only responsible for resolving a major potential disruption to trade, but in doing so also lifted CICILS profile dramatically within industry, government officials, export and import control agencies and others such as inspection agencies within their own countries as well as within CODEX and EU.

In the case of developing support for IYOP, campaigns were organised with Executive members from various countries liaising on behalf of CICILS with their own national associations and with key officials and Ministers in their own governments in Turkey, Canada, Australia, USA, India, and Italy (which gained extensive international support for the project and at the same time greatly raised the profile of CICILS in those countries. This work is continuing in other countries with the help of individual but influential members

In other instances President Hakan, Executive Director Gavin Gibson and some of our Executive Committee members including Remo Pedon and Gordon Bacon have also participated in a number of international forums alongside influential people from countries all over the world at which we have been able to carry the CICILS torch.

As the CICILS YOUNG EXECUTIVE group develops further there will be good opportunities to engage their members further in ambassadorial roles, and this will be a topic for the next workshop we hold with them.

AOP Objective 13.

A world class executive and secretariat in place.

The quality of our service to members has been considerably improved. Our office staff members Gokce Alayunt and Ludovica Sarram have worked hard and long hours to ensure member requests are handled promptly and efficiently. Apart from a big general improvement in ordinary administrative support services, amongst our many achievements in this area are:

- A revised and substantially improved website with interactive function and the ability to expand and develop without huge future expenditure.
- Coordination of design, production and distribution of the e-magazine “The Pulse POD”, in close cooperation with the editor, G Chandrashekar.
- Development, editing and coordination of production of support materials for CICILS outreach operations (India, Nepal, China and Ethiopia); awareness campaigns (SIAL and Gulf Food); and FAO and other UN workshops, meetings and events attended by the President, Executive Director and other board members during the year - including a first class publicity video, handouts and display materials

Their contribution to the successful organisation of our Singapore convention has been enormous - for the first time in an overseas location from their office and at a venue which for various logistical reasons they had not visited until after a decision had been made to go ahead, and which has required considerable tact and operational skill in the negotiations.

AOP Objective 14.

Increased visibility and exposure of CICILS as the key representative body for the global pulse industry

As mentioned in 1. above, as part of the “*inclusion, integration and fair regional representation*” policy that we have been implementing over the last couple of years, we now have members from Argentina, Australia, Brazil, Canada, Chile, Egypt, Ethiopia, France, India, Italy, Japan, Myanmar, Pakistan, Spain, Sri Lanka, Switzerland, South Africa, Turkey, UAE and USA representing their various countries on our Executive Committee.

Now with 16 national association members and individual and corporate membership from over 50 countries globally, including all major growing, exporting and importing countries we have grown markedly in the last year. The reaction from officials at the highest level in international bodies such as FAO and in national governments, to our representation at the very many functions, meetings, workshops and other events attended during the year makes it clear that there is very strong recognition of CICILS as the peak body for pulses globally. Examples of this are dealt with in full detail elsewhere in this document.

AOP Objective 15.

Secure funding arrangements in place for the organisation.

With great thanks to Treasurer Tim McGreevy, CICILS external accountant Mark Watson, Mahmud Cader and Vincent Schlueter - members of the Finance Committee - we now have a modern, thorough and transparent accounting system in place with proper expenditure controls and a working budget. We have created good financial reserves, not least as a result of the substantial increase in income from our convention delegates and sponsors (with great thanks to Sudhakar Tomas and the sponsorship committee for continuing to achieve such excellent results).

For the first time CICILS can now support externally managed projects - like the International Year of Pulses - and we can at last engage qualified and experienced external resources on other industry related issues.

The move to Dubai has provided some tangible financial benefits. We maintain a close affiliation with Dubai Multi Commodity Center (DMCC) which has not only provided CICILS with a free office but also availed tactical and strategic support when needed. You could see the impact of this during our Dubai convention at which a record number of attendees appreciated a wonderful choice of venue, content and the facilities around it, continuing this year with DMCC as the very substantial main sponsor in Singapore.

At the last Executive meeting it was generally agreed that quotations received from major accounting firms to conduct CICILS audit were far too high for an organisation of our type. Following some

negotiations since then we are pleased to confirm that the audit of accounts has been conducted this year by Ernst and Young Dubai office, contributing to further confidence from our members and sponsors into the future

Additional activities:

CICILS YOUTH

An additional key activity during the last few months has been the implementation of a CICILS Youth initiative first mooted at the Dubai convention last year. A younger generation of the pulse industry was very noticeably present in greater numbers than we had ever seen before at the Dubai convention. The Youth initiative was aimed at engaging this emerging generation of sons, daughters, managers and others involved in our industry to be ready to take over the reins and lead the industry and trade, as the older generation moves towards the sidelines. At the first workshop session which we organized in Paris just before the SIAL show the 17 inaugural attendees decided to call their group CICILS YOUNG PROFESSIONALS and are now working to attract more of our up and coming young people to join them. They will work on many projects that include such things as scholarships for studies on pulse breeding, professional exchange programs and importantly, developing a shadow cabinet and grooming their members with the skills and understanding that will ensure the success of our succession plans.

CONCLUSION

I believe we can all be very proud of the progress CICILS IPTIC has made during the last two years under the leadership of President Hakan Bahceci who has along with so many others of the Executive Committee put so many voluntary hours of valuable time into driving change and innovation.

Gavin Gibson
Executive Director
20th April 2013