



Press Release

Rabobank Foundation announces 10m INR in funding for AOFG India to boost capacity building of regional associations of organic cotton farmers.

Rabobank Foundation announces 10m INR in support for the Agricultural and Organic Farming Group (AOFG) India over the next three years in recognition of its work with farmer-owned partner company Zameen Organic.

AOFG India, a network organisation consisting of farmer associations and grass root development and community organisations, helped set up Zameen Organic in 2006 to improve access to markets for small and marginal farmers. Initially working with 300 farmers in the Vidarbha region of Maharashtra, an area renowned for its farmer suicide problem, and the tribal area of Adilabad, Andhra Pradesh Zameen is now co-owned by cotton farmers. AOFG supports the private limited company through farmer organisational and institutional development, as well as technical training in organic farming practices and on Fairtrade regulations.

Rabobank Foundation selected AOFG India in recognition of the inclusive ownership in Zameen's business model, which reflects the bank's cooperative principles. They were also impressed by the social and economic impacts for farmers and their wider communities achieved by linking up small-holders to large markets. Zameen also partners with fashion

brands and textile mills within its supply chains, accessing a greater proportion of the value chain for its farmer shareholders.

The Rabobank Foundation's support will be invested in capacity building and strengthening the grass root level farmer institutions. In addition, some of the funding will go towards the organic and Fairtrade certification costs. Organic certification adds considerable value to the farmers' crops and the practice has also resulted in improved farmer health following the removal of all agrichemicals. Fairtrade certification provides a guaranteed fair and stable price and additional money set aside for community development, which the farmers democratically invest in their own projects.

The Rabobank Foundation and Rabo India Finance support projects that strengthen cooperatives and other primary producer-owned organisations that aim to achieve independent viability and sustainability. Rabobank Foundation has supported several agribusiness projects that work to increase Indian primary producer incomes and facilitate access to credit.

'Globally Rabobank is committed to improving the efficiency of agri-value chains and linking Indian farmers to high value markets. This investment aims at increasing the capacities of the small farmers through technical assistance to grow high quality organic cotton. This reaffirms Rabobank Group's commitment to development of the agribusiness sector and support sustainable agriculture practices,' Surojit Shome, Managing Director and CEO Rabo India Finance.

'Working with some of India's poorest and most marginal farmers can be a challenging task, but witnessing Zameen farmers come together, organise and gain invaluable business skills such as book keeping has been an inspiring process. The Rabobank Foundations' funding will empower the farmers further still with new skills and knowledge and help develop their

organisational structures. With this support these farmers will be able to invest more of their Fairtrade premium monies into community development projects and can look forward to total independence and self-sufficiency for generations to come.'

E.M. Koshy Chairman AOFG India

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Notes to Editors

1. Established in 1998, Rabo India Finance Limited (RIF) is a 100% subsidiary of Rabobank International. Through a wide spectrum of fund and fee based products and services, RIF offers sector specific knowledge-based customized solutions in the following core competencies: Food and Agribusiness, Renewable Energy and Carbon Credits, Corporate Finance, Private Equity, Capital Markets, Mergers & Acquisitions and Corporate Advisory, Trade and Commodity Finance and Micro Finance. RIF is backed by a local pool of intellectual and monetary resources as well as Rabobank's global network. RIF is committed to partnering with clients in creating and providing innovative solutions to their business needs.
Rabobank Group is a full-range financial services provider founded on co-operative principles and awarded a Triple A credit rating from both Moody's and Standard & Poor's since 1981. Headquartered in Utrecht, The Netherlands, the Group employs more than 60,000 staff in 43 countries, servicing the needs of more than nine million clients worldwide. Rabobank Group's operations include retail banking, wholesale banking, asset management, leasing and real estate. Food & Agribusiness is the international prime focus of the Rabobank Group.
Rabobank International ("Rabobank") is the Group's wholesale bank and international retail bank, providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness.
- 2 AOFG Delhi is involved in Zameen's operations at a strategic level. AOFG Board ensures all proceedings comply with Indian law and fall within the objectives of the Trust. AOFG National Project Office (NPO) is a coordinating hub for service provision to the Small Farmer Organisations (SFOs). Within NPO there are three departments covering major areas of operation: technical, organisation development (OD/ID) and certification/supplier compliance.

3 Zameen Organic is certified by Global Organic Textile Standard (GOTS), which guarantees organic textiles from harvest and socially and environmentally responsible manufacturing through to end consumer. Last season, Zameen farmers harvested 374 tonnes of organic certified cotton lint.

4 Zameen Organic is certified by Lacon Quality Certification, which certifies organic production and processing. Lacon certification means replenished soil fertility and the banning of toxic and persistent pesticide and fertiliser use.

5 The Producer Executive Body (PEB) was established to make decisions on usage of the Fairtrade premium and consists of elected farmer representatives.

6 The FAIRTRADE Mark is a certification mark and a registered trademark of Fairtrade Labelling Organisations International (FLO), Zameen Organic is a FLO licensed trader. Global sales for all Fairtrade certified products reached 2.9 billion Euros in 2008 with global Fairtrade cotton sales increasing by 94% on the previous year. The estimated retail value for Fairtrade certified cotton was 175,902,101 Euros in 2008, 19,813,249 Euros of which was Fairtrade organic cotton. The independent consumer label is now recognised by 70% of UK consumers and appears on products as a guarantee that disadvantaged producers are getting a better deal. More than 7.5 million people – farmers, workers and their families – across 58 developing countries benefit from the international Fairtrade system.