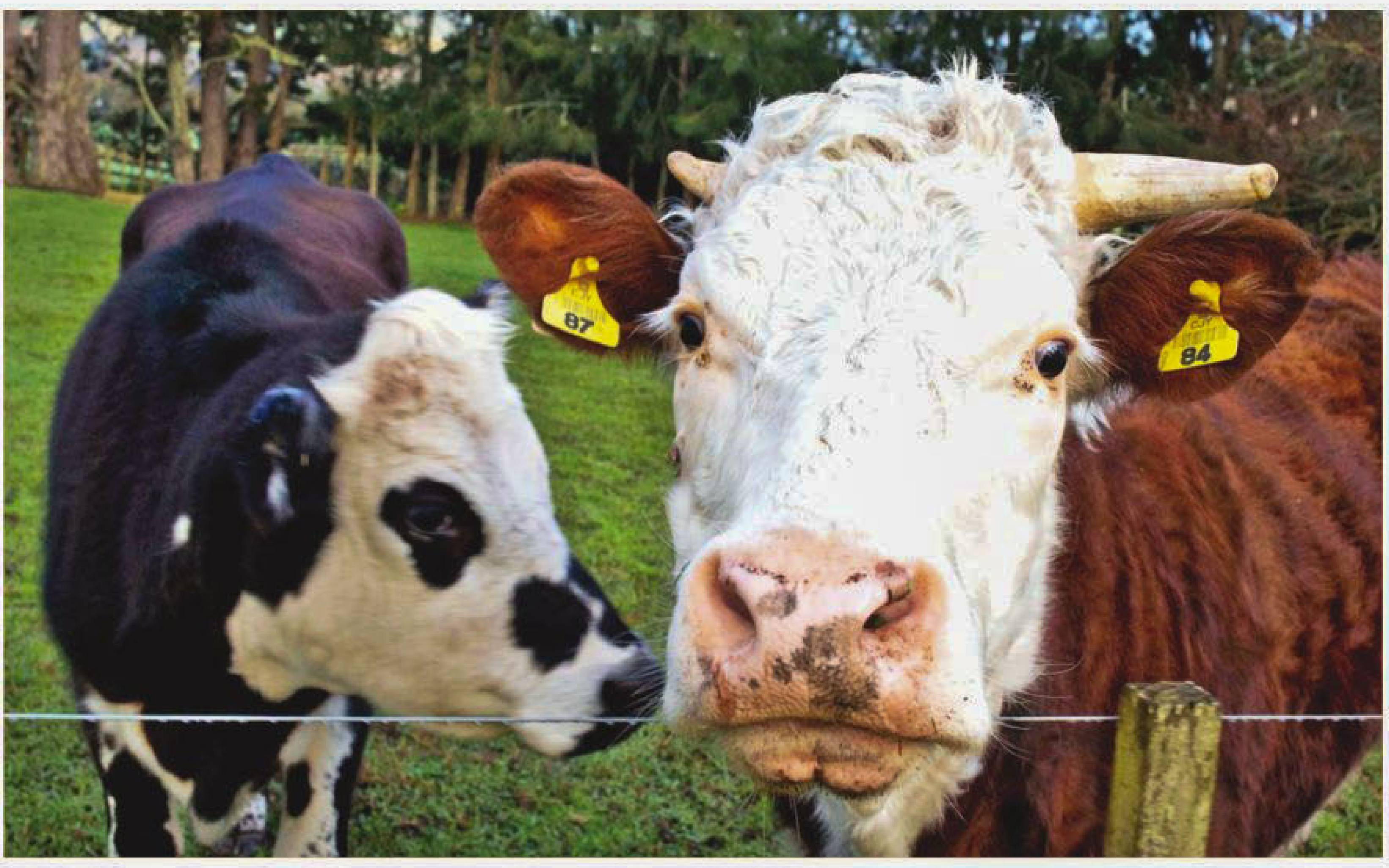
Investors urge food companies to shift from meat to plants



REUTERS/FILE

Cows are seen near the fence of a pastoral farm near Auckland, Australia.

REUTERS, London

A group of 40 investors managing $1.25 trillion in assets have launched a campaign to encourage 16 global food companies to change the way they source protein for their products to help to reduce environmental and health risks.

The investors, which include the fund arm of insurer Aviva and several Swedish state pension funds, wrote to the food companies on Sept. 23 urging them to respond to the "material" risks of industrial farming and to diversify into plant-based sources of protein.

Among the companies targeted were Kraft Heinz, Nestle, Unilever, Tesco and Walmart, a statement by the Farm Animal Investment Risk & Return Initiative, which organised the investor group, said on Monday.

"The world's over reliance on factory farmed livestock to feed the growing global demand for protein is a recipe for a financial, social and environmental crisis," said Jeremy Coller, founder of the FAIRR initiative and chief investment officer at private equity company Coller Capital.

Pollution from intensive livestock production is already at too high a level, while safety and welfare standards are too low and the industry cannot cope with the projected increase in global protein demand, Coller said.

"Investors want to know if major food companies have a strategy to avoid this protein bubble and to profit from a plant-based protein market set to grow by 8.4 percent annually over the next five years," Coller said.

The campaign follows an Oxford University study which said $1.5 trillion in healthcare and climate change-related costs could be saved by 2050 if people reduced their reliance on meat in their diet.

The study also pointed to growing political pressure on companies to change, citing a consultation in Denmark on the introduction of a red meat tax and a Chinese government plan to reduce its citizens' meat consumption by 50 percent, FAIRR said.

Ella McKinley, ethics analyst at Australian Ethical Investment, which is taking part in the campaign, said the need to change food production models was essential to help to limit climate change.

"Forward-looking companies can move now to encourage more sustainable diets by reducing reliance on meat and growing the market for plant-based protein alternatives. In the process, companies make their own protein supply chains more resilient to future shocks," she said.

The other companies written to by FAIRR were General Mills, Mondelez International, Ahold-Delhaize, The Co-operative Group, Costco Wholesale Corporation, Kroger Company, Marks & Spencer, Wm Morrison Supermarkets, Ocado, Sainsbury's and Whole Foods Market.

A Nestle spokeswoman said the company did not use much meat, "so our main strategy is not to focus on replacing the meat that we do use as its impact would be minimal. Our main opportunities lie in innovating new products using alternate proteins".

"In terms of timetables and targets, this is still a relatively new area, where in many countries the consumers are not fully prepared to replace or reduce meat in their diets. Our focus is to innovate great tasting solutions to encourage consumers to try them and over time make small, sustainable shifts towards a higher plant-based, more balanced diet."

Kraft Heinz declined to comment when contacted by Reuters. The Co-Op said it had yet to receive the letter. Mondelez also declined to comment because it had not yet seen the letter, while a Sainsbury's spokesperson said: "We're aware of the issue and are looking forward to receiving a copy of the letter."

A Walmart spokesman said the company was not familiar with the campaign and so could not provide comment, while a Kroger spokesman said the firm had not received the letter but was happy to talk with the investor group.

The remaining companies were not immediately available to comment.

Among the other investors to join the campaign were Nordea Asset Management, the fund arm of Norwegian lender Nordea, Boston Common Asset Management, and Impax Asset Management, as well as a number of charities and other ethical investors.

Pfizer abandons plan to split into two

REUTERS

US drugmaker Pfizer Inc said on Monday it had decided not to separate into two publicly traded companies by separating its low-growth generics from its patent-protected branded medicines.

Instead, with the two operating as separate businesses within Pfizer, the company was already accessing many of the potential benefits of a split while retaining the operational strength, efficiency and financial flexibility of operating as a single company, Chief Executive Ian Read said.

" ... Over time, any potential gap between Pfizer's market valuation and an implied Sum of the Parts (SOTP) market valuation has closed," said Chief Financial Officer Frank D'Amelio.

"We concluded that splitting into two companies at this time would not enhance the cash flow generation and competitive positioning of the businesses and the operational disruption, increased costs of a split and inability to realize any incremental tax efficiencies would likely be value destructive."

Pfizer's shares were down 1.3 percent in premarket trading on Monday.

The company has for several years weighed whether a split made sense, largely because its patent-protected medicines routinely enjoy sales growth, while its portfolio of generics usually posted sales declines.

Investors shifted their focus to whether Pfizer would split after the company terminated a $160 billion deal to acquire Irish drugmaker Allergan Plc in April due to new US tax inversion rules.

Pfizer said on Monday the decision to not split itself would not impact its 2016 forecast, and that it preserved the option to split in the future. Pfizer in August announced it had agreed to buy cancer drugmaker Medivation Inc for $14 billion to gain access to blockbuster prostate cancer drug Xtandi for its growing oncology roster.

AFP

A Sri Lankan ironworker welds material at a building site in Colombo on Sunday. Sri Lanka's unity government faced opposition from business leaders and the opposition to proposals to increase VAT by 4 percent, from 11 percent to 15 percent. Despite Cabinet assurances the increase is a temporary measure, an IMF mission visiting the country said, "It will be a source to support revenue targets and we do not see it as a temporary measure."

Singapore scion buys 49pc stake in Rolling Stone

AFP

A vendor pulls out a copy of Rolling Stone magazine on sale in Singapore yesterday.

AFP, Singapore

A Singapore firm headed by a scion of one of Asia's richest families has bought a 49 percent stake in Rolling Stone, with plans to diversify the iconic magazine into new business including live events and merchandising.

BandLab Technologies, a music and technology start-up headed by 28-year-old Kuok Meng Ru, bought the stake for an undisclosed sum and will partner current owners Wenner Media, the firms said in a statement late Sunday.

Rolling Stone International, a new subsidiary to be headed by Kuok, will organise events including concerts, and develop merchandising and hospitality services, Bloomberg News reported.

Rolling Stone International will "build on the brand's worldwide appeal and recognition", the statement added.

BandLab will have no involvement in the editorial side of the magazine, and will not have a stake in Wenner Media, Bloomberg reported.

Kuok is the son of Singapore palm oil magnate Kuok Khoon Hong -- founder of Wilmar International, the industry's biggest trader -- and grand-nephew of Robert Kuok, Malaysia's richest man who is worth more than $11 billion according to Forbes.

"Rolling Stone's impact on culture over the years has been immeasurable and I'm truly honoured to be joining the team on the next phase of its journey," said Kuok, a Cambridge graduate.

BandLab Technologies' portfolio already includes a cloud platform and social network for musicians, a music-making website, an instrument accessory design studio and Swee Lee, Southeast Asia's largest distributor of audio equipment and musical instruments.

"We are thrilled to have found an extraordinary partner for Rolling Stone as we focus on the brand's global expansion," Gus Wenner, Wenner Media's head of digital, said in a statement.

"We see an enormous opportunity to diversify the brand into new markets and new areas of business."

An information and communications technology analyst said the deal was another case of a traditional print brand with a struggling business model attempting to survive in the digital age by diversifying.

"All the money in the music industry now is related to ancillary services like concerts, merchandise, digital, all these kinds of things," Marc Einstein from business consultancy Frost & Sullivan told AFP.

But Einstein noted that venturing into digital marketing comes with its own challenges. "When competing as a magazine, Rolling Stone only had so many competitors. But when it's competing on YouTube or on a website basis, there are millions of competitors," he said.

Music and pop culture magazine Rolling Stone was founded in 1967 by Gus Wenner's father, Jann S. Wenner, and Ralph Gleason with a $7,500 loan from friends and family.

An end to fashion elitism? Not in Milan

AFP, Milan

SOCIAL media are being credited with democratising the landscape of fashion in London and New York.

But in Milan's swankiest shopping street, an end to the industry's ingrained elitism, with its invitation-only events and cosy tribalism, still seems a long way off.

Via Montenapoleone, home to the flagship stores of the cream of Italian design, is where the conceptual currency of the catwalks is converted into hard cash.

And in its glittering stores, platinum credit cards will keep the cash tills ringing long after the fashionistas have decamped to the next catwalk fest in Paris.

Window-shopping with a friend, local Lila Sciacca says few in the city would dispute the economic benefits of fashion week: 48 million euros ($54 million) was City Hall's estimate of the revenues driven by the last bash.

An amateur dressmaker, Sciacca is one of millions of fashion fans who stream live webcasts of the catwalk shows to digital devices.

But the exclusivity of the shows still rankles.

"At the shows it is always the same cast of people," she told AFP. "If you are not an insider or in the business, you have to be connected.

"And let's be frank, how many people can actually afford these clothes we are talking about when every day is a struggle to survive?"

Also grumbling over fashion's exclusive reflexes is Milan's new mayor, Giuseppe Sala.

The organiser of last year's successful World Expo, Sala recently told fashion chiefs that, "in terms of participation, there is much more than can be done."

Italy's Chamber of Fashion hit back, citing 30 publicly accessible events running in parallel with the latest shows.

Among them was "Outside In", an open air exhibition of new images by acclaimed British photographer Rankin that lined Via Montenapoleone.

AFP

Models present creations for fashion house Mila Schon during the 2017 Women's Spring/Summer collections shows at Milan Fashion Week yesterday.

A veteran of the days when the club of fashion obsessives was much smaller than it is now, Rankin says his images of models in boxes displaying different emotions was designed as a celebration rather than a critique.

"I really hate elitism in itself, so I am probably the opposite of most of the industry," he said.

"But the art of fashion is something I have come to appreciate more and more so I did not want (the street exhibition) to be negative, I wanted it to be a celebration of what it is about."

The photo-sharing website Instagram has had a hugely disruptive impact on the fashion world.

The vast followings of models like Gigi Hadid, Kendall Jenner and Cara Delevigne have made them hugely influential players, giving them the kind of commercial clout that was once the preserve of a handful of editors of glossy magazines.

Rankin, the co-founder of influential 1990s style magazine Dazed & Confused, says the change is exciting, even if he has some misgivings.

"I love photography so much I can't not get excited by a whole new generation that maybe would never have had the opportunity to learn or even think you can go to college to do photography

"At the same time I studied for six years to become a photographer so when somebody shows me their Instagram picture I go slightly 'whoah'.

"David Bailey had a great quote when he was asked about Instagram and social media and said 'It is just lots more people taking bad photos'.

"Instagram and social media and being able to buy straight form the catwalk is the antithesis of what it used to be about.

"It used to be a small world but it has gone from 100,000 people to maybe two to three million that are absolutely obsessed by it."

The Rankin exhibition was the latest in a series commissioned by Guglielmo Miani, president of the Via Montenapoleone Association, an organisation comprised of 140 luxury brands associated with the famous street.

Miani says allegations of snobbish exclusiveness are wide of the mark. "The truth is that this is a working week for professionals so it is, in a way, a closed circuit. That is why we decided to have an open-to-everyone exhibition."

Growing online sales are also part of the disruptive wave fashion is currently surfing but Miani is confident it is one Via Montenapoleone and its counterparts in London, Paris and elsewhere can ride out.

"The (store) experience is getting more enriching all the time," he said. "We just saw the new Dolce and Gabbana store opening, Brunello Cucinelli is opening soon. The physical space of the store is still very important.

"Globally e-commerce is about ten percent of luxury goods. It is going to grow but at the same time there are markets like Iran that are going to want to buy clothes and they will want to have stores there.