

## PRESS RELEASE

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### **InVivo Trading and the cooperative commitment: 40 years of trust**

**Over 9 million tonnes of grains from France were exported during the 2015-2016 period by InVivo Trading, 2.2 million tonnes of which were entrusted to it under the unique “Commitments” contract put in place 40 years ago when cereal cooperatives decided to join forces in order to develop French wheat exports. It has been an undeniable success. The cereal cooperatives, via their ability to create a benchmark French operator for export, opened up new markets for their member farmers.**

“This commitment policy, which governs the relationship between InVivo Trading and its partner cooperatives, remains relevant 40 years after its creation because firstly it provides added value to the different stakeholders: cooperatives and their members, and InVivo Trading’s clients and partners, and secondly because it has evolved with the times,” says Stéphane Bernhard, director of InVivo Trading.

The cooperatives demonstrate their commitment by delivering at least 3% of their harvest, with most in fact exceeding 10%. It is InVivo Trading’s responsibility to ensure commercialisation and to compensate cooperatives depending on the options they have chosen. These commitments provide cooperatives a triple guarantee: a physical outlet for the produce, pricing in line with their commercial offer in the field, and the absence of counterparty risk as this is borne by InVivo Trading.

With cereal cooperatives merging or concentrating themselves around regional commercialisation unions, grain volumes entrusted to InVivo Trading steadily increased under the commitments contract. In 1976, 229 of them entrusted some 660,000 tonnes of grain, wheat for the most part, to their union. Around 2002, a turning point occurred marked by an increase in volatility, increased competition amongst different sources, and market liberalisation. Within this unsettled context, the concept of cooperation and partner commitment began to fully make sense. In 2006, commitments exceeded 2 million tonnes. In 2015, 50 cooperatives opted for the price risk management solutions offered by InVivo Trading, for a total and never before reached volume of 2.2 million tonnes.

“We stand by this unique and powerful model internationally in order to provide extra guarantees for the cooperatives involved, but also to our clients,” says Geoffroy Gaillard, head of commitments at InVivo Trading.

This contractual relationship between the cooperatives and their national union is a valued asset for InVivo Trading’s clients. Having direct access to farmers’ grain via the cooperatives, InVivo Trading plays a major role centralising the French harvest available for export and market making. The company is therefore able to be permanently present on markets and to ensure regular commercial offerings for its clients, meeting their quantitative and qualitative expectations.



Strengthening ties between InVivo Trading and its cooperative partners also depends on the monthly commitments newsletter, which provides updates on developments in raw material markets, and the two yearly information day events. The one occurring on 31<sup>st</sup> May 2016 provided the opportunity to celebrate 40 years of this strong relationship uniting cooperatives and their union, Union InVivo, in the grain business.

InVivo Trading, France's largest wheat exporter, plans to become a key player in Europe, deepening its multi-origin and multi-destination strategy via internationalisation and signing international partnerships, such as those recently entered into with cooperative groups Zen-Noh in Japan, and Aca in Argentina.

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**About InVivo**

The InVivo group comprises 216 cooperatives bringing together over 300,000 farmers. The Group employs 8,400 people in 30 countries and works in four main activities: Agriculture (seeds, agricultural supplies, international grain trading), Animal Nutrition and Health, Retail, and Wine. It reported revenue of €5.7 billion in FY 2014-2015.

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