



Open Letter of Bruce Wrobel, CEO of Herakles Farms in Response to the Report Issued September 2012 by the Oakland Institute titled "Understanding Land Investment Deals in Africa" with the sub-heading "...The Deceit of Herakles Farms in Cameroon"

Although I call this an "open letter," I would like to especially address it to the younger generation of volunteers supporting the wonderful organizations committed to worthy causes (from poverty alleviation and human rights to education and environmental stewardship), to the press covering the issues of human development and/or environmental concerns in Africa (especially those who have reached out to us regarding the referenced report), and finally to the misguided donors, board members and employees of the Oakland Institute.

Dear Reader,

The Oakland Institute report is an uninformed attempt to wrongly portray Herakles Farms ("HF") and its oil palm initiative as a massive project which threatens to level the Cameroonian rainforest while negatively impacting the lives of tens of thousands of formerly happy and content indigenous hunters and farmers in the South West Region of Cameroon. The report includes a chart detailing a vast web of interconnected relationships to other entities controlled by myself, together with suspicious ties to big private equity firms. A major claim of the study is that HF is operating illegally in Cameroon while destroying the livelihoods of the local population. The report is a blatant effort to manipulate the reader with its use of suggestive photos and selective information. It is without a doubt one of the most unprofessional and misleading studies of this type I have encountered in my 30+ year career.

Equally disturbing is that the public may read this and accept it as fact rather than fiction, and by doing so place this important project at risk. As a result, and in the interest of full transparency, I am writing this letter to disclose the little "secrets" of HF, Herakles Capital ("HC"), Sithe Global ("SG"), Bruce Wrobel and our plans with respect to the sustainable development of oil palm in Cameroon. My goal is to present HF for what it is – a modestly-sized commercial oil palm project designed to provide employment and social development and improve the level of food security, while incorporating industry best practices (and hopefully developing "better" practices). The only thing I ask is for you to set aside enough time to make it to the end of this long response, at which point I hope you will have a better idea of who we are and a clearer opinion of the Oakland Institute and its flawed report.

First a few words about me and my team.

I grew up in a middle class family on the south side of Chicago, where I attended the city's public schools. My father was a truck driver who worked 6 days a week (and spent his evenings helping us with our homework). My mother was the director of citizen services for our community (where she continues to advocate for the elderly and the disabled, even into her 80's). My parents pushed for us to excel in our studies (three of their four kids graduated first in their class – and no I was not one of them) and somehow managed to get us all into great schools.

I earned degrees in Economics and Management from MIT in 1980. The following year I co-founded a renewable energy company and embarked upon a long career developing energy projects around the world. I left in 1999 to devote myself to HC and its efforts in Africa. Throughout my entire life, I have considered myself to be an environmentalist and an activist for the poor. I have also tried to instill those principals in my children with the help of their activist mother. This seems to have worked, as my teenagers have spent parts of the past summers helping teach elementary school in Zambia and assisting at an AIDS orphanage in Kenya. Their mother recently returned from the eastern Congo, where she had volunteered to teach English, music and yoga at a most remarkable school for disadvantaged girls (started in part with a grant from All for Africa).



My team is comprised of some of the brightest and most compassionate individuals I know. They have studied at some of the best universities (Columbia, Harvard, London School of Economics, MIT, NYU, etc.) and many of them have passed by opportunities in consulting and banking to pursue the vision of economic development in the emerging markets where they can witness the transformational impacts their creative efforts can have. They have endured malaria, gastrointestinal illnesses, strange infections and bites from a wide range of insects and reptiles. Most of them consider themselves environmentalists so they are particularly sensitive to the sort of misinformation contained in the Oakland report. But fortunately for all of those benefitting – or soon to benefit – they always respond with increased determination and fervor.

So now, what is Herakles; what is it that we do; what are our objectives; and why are we doing it?

The common thread among many of our initiatives is HC, a company that has focused primarily on Sub-Saharan Africa since a life changing trip in 1999. On that trip, I witnessed first-hand the extreme poverty caused in part by the serious conflicts in West Africa at the time. In the wake of this trip, I gathered some of the brightest and most idealistic managers and engineers I had worked with over my career, and together we made a commitment to the identification and development of specific opportunities designed to generate sustainable economic growth on a regional or national level.

In a word, we describe HC as an “incubator” of ideas. We seek to identify a barrier to economic growth within a country or region, and then we design a solution which, if implemented, would eliminate the barrier and facilitate further economic activity – always with the goal of building a sustainable middle class. Our role is to 1) identify a problem or barrier; 2) continuously engage with the relevant local communities and wider stakeholders; 3) develop and design a practical solution; 4) develop the initial business plan; 5) fund the necessary feasibility and environmental studies and initial development capital; 6) find the most suitable long term investors for a particular initiative; 7) raise the capital to fully implement and 8) identify and train talented local management to eventually take over the leadership of the company. All of this is done with the ultimate objective of strengthening the middle class and with a very keen eye to corporate social responsibility.

Let me give you two concrete examples in the hopes that it will establish some credibility for the Herakles team.

Example 1:

Seacom, Ltd.: Prior to 2009, East Africa, with its approximately 300 million inhabitants, was the only heavily populated region of the world that had no access to international fiber optic cable for communications and was thus completely reliant on limited satellite capacity. Satellite was relatively unreliable, slow and expensive (and surely too expensive for the average population). HC, through its affiliate Herakles Telecom, created the concept for a 16,000 km undersea fiber optic network that would extend from South Africa, up the east coast of Africa with branches to all of the coastal countries of East Africa. It then connected to Mumbai and Europe, and from there, could connect to the rest of the world. This initiative, known as Seacom, was completed and switched on by President Kikwete of Tanzania in 2009. Since then, it has provided high quality, high speed international connectivity from the region to the rest of the world. Surprisingly, I can now access the Internet in Nairobi at speeds twice that which I am able to access in my New York office.

When Seacom went operational, given its higher speeds, better quality and reliability, we could have discounted the price offered by satellite by 10% and moved most traffic over to our network. But a decision was made to discount pricing by 85% and go with a low price, high volume strategy to ensure its affordability to as broad a spectrum of the population as possible. In addition, capacity to many universities and research centers was offered for free or further discounted down to marginal cost. The project cost more than \$800 million to construct, but most notably, other than the approximately \$10 million of development capital we funded early on, the remainder of the \$225 million of equity was raised in Africa. This means that not only are



the jobs that are created located in Africa, but most of the profits remain there as well. We believe that more than 40,000 jobs linked to the Internet will be created during Seacom's first five years of operation. The Seacom initiative earned the AfricaCom "Best Pan African Initiative Award" and the Euromoney Magazine "Africa Communications Deal of the Year Award" in 2009.

Example 2:

Uganda has been one of the bright spots for economic growth in Africa. But one of land-locked Uganda's biggest challenges has been access to reliable and affordable electricity, while an unacceptably large proportion of its population is without any access at all. For the past several years, much of Uganda's power was generated using expensive oil trucked more than a thousand kilometers from the port of Mombasa, with transportation expenses making the already expensive oil even costlier. With the majority of the equity supplied by Blackstone through Sithe Global, we were able to design, finance, construct and this year put into operation the \$850 million Bujagali Hydroelectric Project, which now provides approximately 40% of the country's electricity at a cost far less than half of what Ugandans previously paid. With this single project, we have virtually eliminated the almost daily rolling brownouts and frequent blackouts that were severely impacting business and individual customers for the past several years. The significant savings realized by the utility will permit more capital to be directed toward increased electrification of the rural communities and away from imported oil. In addition, the project earns significant carbon credits, the revenue of which will help to bring the cost of power down further.

I would like to note that we funded more than \$20 million in social projects as a result of this project, including investments in education, health, environmental resources and small-and-medium-sized business developments. We partnered with many excellent development NGOs to implement these programs, and we hold this project up as a perfect example of how private/non-profit collaboration can be so much more impactful and efficient. Most of our construction management team spent large portions of their free time working on social development projects.

The Bujagali Project earned the Euromoney Magazine "Africa Power Deal of the Year," and together with the Seacom project won the 2009 Africa Investor "International Business Leader of the Year Award", which I humbly accepted on behalf of my very talented team.

All of these projects were conceived in the same New York offices as the HF palm oil initiative in Cameroon. I put these projects forward in part as examples of our technical and developmental capabilities, but to also highlight that we are not some large international agricultural company seeking to build a multimillion hectare land bank at the expense of local populations.

Of course none of this means anything if the allegations in the Oakland Institute were true. Before I summarize all of the broad benefits of our project to Cameroon, the region and the local population, let me take a little time to illuminate the dishonesty throughout the Oakland Institute report.

One of the most serious allegations that runs throughout this report is that HF (and our subsidiary, SGSOC) has been in violation of Cameroon law since 2010. This argument is discussed in detail at page 6 under the heading "An Illegal Project." Reading their narrative within this section, one could easily come to the opinion that HF cleared forest without an environmental impact assessment, that we were ignoring the requirement for a Presidential Decree and that the government, through the courts, was attempting to stop us by issuing an order that we were also ignoring.

Upon closer inspection, their credibility rapidly falls apart. First, they fail to mention that the court case was not brought at the initiative of the government, but by SEFE (one of the relatively unknown local NGOs), which together with CED, RELUFA, and other local NGO's has made it its mission to stop this project since its inception (and with SAVE Wildlife, a Germany-based NGO with an apparent interest in Cameroon). While we



have worked to engage these groups, address their issues and clarify facts, for reasons unknown to us, they have preferred to pursue public campaigns. Perhaps campaigns attract higher levels of funding or raise the profile of their organizations. We can only speculate, but have attempted and continue to welcome more civil and constructive engagement.

Like most modern democracies, anyone can bring a lawsuit. Nuisance suits are the usual weapon of choice in the arsenal of many activist groups. And we applaud Cameroon for having a functioning legal system where such issues can be heard and addressed. As stated in the Oakland report, on February 27, 2012, a local court identified four things that SGSOC must complete before we could pursue our activities. The court did not suggest we were operating illegally, nor was a Presidential Decree identified as one of the items. And we certainly agree that all four items should be addressed before field planting commences.

Immediately following the ruling, we submitted our evidence to the court that we had completed everything required of us (we actually had received all of our governmental environmental approvals in September 2011), and a short time later on April 27th, 2012, the same court issued a ruling effectively stating that the company had provided evidence it had completed the steps necessary to move forward, was in compliance with the laws and could proceed with the Project.

Why would the Oakland Institute mention the first ruling, but not mention the fact that the case was concluded in favor of SGSOC such a short time thereafter? Moreover, there was never any government order to cease work, as is claimed by our skeptics. Either this was an extremely unethical attempt to dupe the public into thinking we were non-compliant, or they really didn't know such basic, simple facts. We have posted the court documents in the news section of our website for anyone who wishes to verify the truth.

Another item in this section that requires mentioning is that Oakland states that the Ministry of Forestry seized two of our bulldozers. This is another false claim that can easily be fact checked with a simple call to the Ministry of Forestry.

Our agreement with the government requires us to obey the laws of Cameroon, and violating those laws can result in termination of our agreement. Given our experience working on large, complex projects and working closely with international lenders such as the World Bank and African Development Bank and given our significant investment in time and capital, would we be so foolish as to ignore the laws of our host country? Would the Cameroonian government sit by and allow us to operate illegally?

Police Powers

On page 7, Oakland describes our rights under the convention as the equivalent of being given "what amounts to police powers," with a connotation that suggests we have an intimidating presence among the local population. Thankfully the language of the concession is actually at the top of the page and can be seen to be quite benign. It basically allows us to maintain or contract, for our own asset and employee security, a protection service. I cannot think of any international or even major domestic corporation that would not secure these rights – even in the United States. We do **not** have the right to arrest, but we do have the right to detain – for example someone who has entered our premises with the intent to steal property – until the police arrive. Retail stores in the United States have those rights.

Opposition to the Project

Oakland suggests on page 7 and 8 that there is widespread opposition to the project, citing an incident at the village of Fabe on June 6 during a visit of the Governor of the region to the area. Oakland has also uploaded to YouTube a video entitled the "Herakles Debacle" which puts forth a number of interviews with local residents as further evidence of this opposition and also displays copies of letters of opposition on page 8.



HF claims on the other hand that there is widespread and enthusiastic support for the project. Who is telling the truth?

There are 38 communities with approximately 8,500 inhabitants within the area surrounding the project. And one can easily check by contacting the chiefs of each village for their opinion of the project. Support is generally widespread. It will always be difficult to satisfy everyone, so you will find a small portion of the population still unsure of the project (although our goal is to ultimately win 100% support).

Throughout any project's development, there will be challenges with communications between the company developers and the local people. However, we respect that there is still some hesitation toward us in the area, and we are patiently working to demonstrate that we are serious about inclusive economic development. We are incorporating best practices for such engagement into our development and have consulted with the local communities from the very beginning, from acquiring the land and developing our Environmental and Social Impact Assessment, to jointly identifying land where communities feel it is appropriate for us to plant.

As we note on our website, we look to the IFC Performance Standards for guidance, and their detailed best practices are taught to our Community Development Team. This team includes our Sustainability Manager, our Community Development Manager from the Korup National Park, as well as the Community Development Officers from each clan, responsible for facilitating two-way communication (whose role is to communicate our plans with respect to the project and to relay issues or the concerns of the local people back to the management of the company).

We realize that because special interest NGOs are working against us, there are certain misunderstandings and rumors being spread, including that we are taking people's farmland or forcing them to move. Our company has a policy to not force anyone from their land, and to preserve and protect all farmland, homes, villages, communal lands and to provide room for their expansion. We are committed to supporting small-and-medium-sized enterprises and to working with local councils on joint development programs focused on rural planning.

We are already employing more than 500 people, and we have committed to prioritizing hiring among the 38 villages. As such, we are organizing job fairs and recruiting and training programs. Once fully operational, the organization will require approximately 8,000 employees, and the company is taking a holistic and thoughtful approach to development by arranging social and environmental programming to scale with each phase of growth.

While we are still in the early stages of making an impact, we are already seeing villages once skeptical of us beginning to change their views, particularly after seeing the benefits of our work. However, if a village doesn't want to participate in the project, we will respect their decision.

Our original business plan contemplated two nurseries to support the entire project, and this was clearly the most economical approach. But the nurseries provide the earliest employment and, therefore, in order to respond to the wishes of the local communities, we expanded the nurseries to four (near the villages of Fabe, Lipenja I, Talangaye and Nguti) to more fully spread out the early employment. This would not be a prudent path should there have been significant local opposition to the project.

So what happened in Fabe? There was a small effort to embarrass HF orchestrated by SEFE (the group that attempted to stop the project in the local courts). For context, one of our major conservationist opponents, Professor Joshua Linder, has a relationship with some villagers in Fabe due to his occasional visits to study the neighboring Korup National Park. His visits have provided some small income to several villagers who offer him food and lodging, and he had therefore developed good relationships with several residents. Professor Linder believes that our concession area, like the park, is of high conservation value, and therefore has opposed our project. However, he has not produced any studies about the area in question, as we have



(please see the section towards the end on environmental issues). He continues to ignore our commitments to buffer zones around protected areas and high conservation value sites, enhancing funding for the park and other nearby protected areas and to developing in such a way that will not disrupt connectivity between such areas. His favor of conservation over any sort of sustainable oil palm development has begun to raise questions about his motives among many of the villagers in rural communities previously isolated from any opportunities to generate decent cash income. As such, there have even been written and verbal requests by some locals that he does not return to cause trouble.

HF is also a newcomer and foreigner to the area, and so we have to earn local trust. This means that when the village of Fabe requested we open a nursery near them, we did the feasibility work and found this could be possible in our strategy. We have also been working on installing a borehole and creating as much local employment as possible. However, when several youth employees misbehaved and were laid off, SEFE used it as an opportunity to incite a protest, fueling rumors that we had bribed the chief, that we would force people from their land and that we were violating a court order. Flashy green t-shirts emblazoned with anti-Herakles slogans appeared (I assure you there is nowhere to make those anywhere near Fabe). The police arrived and determined the blockade to be illegal since the group did not apply for a permit to protest, which is required in Cameroon, and we worked with local government officials on agreements to hire back the workers and resolve outstanding rumors.

The discussions between HF and the Fabe community that followed the protest covered a number of topics. These topics included the request that the company expand its operations to allow for more employment, that a greater number of employees be hired from Fabe rather than surrounding villages (HF distributes employment across communities when possible), that some of those who had been dismissed be rehired, that the well that HF had drilled be repaired, and that the pace at which development infrastructure is built be accelerated. These concerns from the community are clearly not, contrary to the claims of Oakland, calls for the company to depart. Indeed, they reflect the desire of the community to see an increase in economic activity and development.

Because of the incident, and to avoid development in any community that did not want us, we discussed moving our nursery in Fabe elsewhere. However, this resulted in a delegation from Fabe making the over four hour trip to our offices to apologize in person for the incident and request that we continue to develop near them. They delivered a formal letter signed by the village chief, elders, as well as leaders of the village women and youths. The document urged us to continue to use Fabe as a key marshaling point, as it was a major source of employment for the area (I should also note that the Fabe women's soccer team, which is funded by HF, recently won the regional women's football tournament in Mundemba). Fabe comes up again and again on all of the Internet blogs and websites claiming opposition to the project. But the position of Fabe is easy to fact check with a simple call to the chief or brief visit to this village of approximately 200 inhabitants.

We know this land and its people much better than Oakland does (ask them how long, if ever, someone from their office has visited the region). We have studied this land and have gotten to know its people since 2008 and have only now – four years later – begun to perform any field planting.

Irreversible Environmental Impact

Beginning on page 5, Oakland makes many claims about the nature of the land to be utilized by HF. It is suggested that we are clearing a High Conservation Value (HCV) forest. But reading closely one cannot find any specific claims other than that there are portions of intact forest. HF does not disagree. We have performed studies that mapped out areas of old growth forest and those areas will not be touched. In addition, we perform extensive additional studies prior to any land preparation to ensure that any HCV sites were not missed during the initial studies. Any additional HCV land discovered will continue to be catalogued, marked out and avoided.

The statement by Oakland on page 5 that a British consulting firm refused to perform a HCV assessment for us because "...the project clearly violates RSPO principals on HCV among others" is also an untrue statement, and it is interesting to note that their listed source is an unrelated web site and not the British consulting firm. A proper investigative report would fact-check the British firm before making such significant



insinuations. Would that phone call be so difficult? Can you think of a reason they wouldn't? Of course, they might be concerned that the truth would contradict their findings. HF has performed studies using a forest assessor recommended by RSPO. It has supplemented that work with additional studies. The government has sent out a team to evaluate the land and reached the same conclusion as HF, which is that, "the entire concessions granted to SG Sustainable Oils Cameroon Limited for agricultural development including oil palms at Nguti, Mundemba and Toko Subdivisions have been logged and farmed repeatedly over the years and the area is classified as secondary forests."

I invite you to take a close look at the cover picture of the Oakland report. The picture – with the bulldozer – is meant to conjure up emotional anti-development feelings and implies bulldozing in the area. Yet, one can actually see in the photo how young the trees really are. They are not even old enough to be of interest to commercial loggers. If the trees are that young, then what existed before they were there? Of course, the original trees must have been logged. Obviously this area had been logged in the recent past.

Oakland mentions that the project is in the midst of the Korup National Park, the Bakossi National Park, Banyang Mbo Wildlife Sanctuary, Nta Ali Forest Reserve and the Rumpi Hills Forest Reserve. All of these areas are controlled and off limits with respect to timber or hunting or most other commercial activities. This represents an enormous percentage of the land in the area being set aside, and the Government of Cameroon should be applauded for its willingness to preserve such an enormous amount of land in the interests of environmental protection.

However, there are communities living outside of these protected areas, where we have been granted concessions, who have been seeking investment and income. In fact, this area was designated a commercial agricultural zone in 1989 with the assistance of WWF. But until now, development has not come, nor have any of the ecotourism jobs promised by the environmental groups pushing for these protected areas. And in fact, the groups originally assisting with the management of the parks have moved on. As large and as magnificent as Korup National Park is, an average of less than one person per day visits the park. It operates on an annual budget of approximately \$20,000, which cannot fund enough park rangers or appropriate equipment to monitor and evaluate the biodiversity that is intended for preservation. And as a result of lack of investment in the entire region, this area of Cameroon remains one of the poorest in the country. Even the parks could use additional investment, which HF is committed to providing.

In the face of limited economic opportunity local populations have turned to exploiting local natural resources. Logging and hunting activity has continuously eroded the biodiversity of the protected areas in the region which are protected only on paper due to lack of enforcement. Studies by WWF and WCS have reported that there are over a dozen active commercial hunting camps in the Banyang-Mbo Wildlife Sanctuary and that operations such as these poach literally tens of thousands of animals from the "protected" areas each year. Significant employment from new investment in the region is one of the only lasting solutions to stem the exploitation in these areas. HF is committed to providing positive employment alternatives, as well as enforcement and education programs, which can help reverse the degradation of these valuable areas

What Returns for the People of Cameroon?

Beginning on page 4, Oakland asks "what returns for the people of Cameroon?" They point out accurately that the rental rate on our land is only \$1/hectare and suggest that at this price we are cheating the government. The rental rate is accurate, but so simply misleading that we are surprised they make a point of it. If we were to pay prices suggested by Oakland, it would be in exchange for the timber on the land, as well. We could have negotiated for the timber rights and paid a higher price. But we surrendered the timber to the government and took a lower lease rate, as we are not commercial loggers. We will cut it, trim it and stack it for the government. This will cost us more than \$75 million dollars and will add huge value to the government's timber income. They will sell it in an auction, which we estimate will generate many millions of dollars of revenue. So please Oakland, give the Government of Cameroon some credit. They were extremely tough, excellent negotiators, and they knew exactly what they were doing.

But let's talk more about the returns for the local people. There are approximately 8,500 people in the project area, not the 14,000 or higher number suggested by Oakland (we know because we have performed a census in the villages). There was nearly a total lack of cash paying jobs when we arrived. Now we already employ



more than 500 people, and the cash earned by these employees is having positive secondary impacts in the villages surrounding the nurseries. None of these employees are paid below minimum wage, and our policies would never permit such, contrary to other statements in the Oakland report. In addition we pay wage-related taxes to the government, as do our employees.

We are starting to bring medical services into the area. Earlier this year, we completed a month-long medical program that included approximately 2,500 medical consultations and more than 250 successful surgical operations, inclusive of follow-up care. We were told at least seven of these were lifesaving. This program was paid for by HF and was open to anyone in the communities, not just our employees. We have also assembled a good medical baseline on our employees so that we can take positive steps towards improving their health and welfare.

And let's talk about higher education. Last month, we awarded full scholarships to any student graduating from secondary school in our region who could meet the entrance requirements of the prestigious University of Buea. In total, we have awarded 27 full college scholarships, including room and board, for the entire full term of students' studies, as long as the recipient maintains an acceptable grade level. Next year we will award a similar amount of scholarships. Even more importantly, we will guarantee a job to any one of our scholars upon completion of their degree.

Last week we announced that we will begin to introduce a free transportation service on Sundays, using the company's vehicles to transport people to religious services or to the market.

And one of the most exciting benefits to come from the project will be the return from abroad of skilled diaspora, attracted by high-level management and technical opportunities. This month alone, HF welcomed two Cameroonians from the South West Region who had earned doctorates overseas and have returned to join our senior management team from positions in the United States and South Africa.

All of this will bring tremendous long-term benefits to Cameroon.

We are only just beginning field work and will not realize any revenues for another few years, and already the local people are reaping significant benefits. The only part of the Oakland report I agree with is my quote on page 4 regarding local benefits clipped from correspondence with them last summer – "...I couldn't be more convinced that this will be an amazing story for the people within our impact area." Bruce Wrobel correspondence with Oakland Institute, July 2011.

Palm Oil

For those less informed, I wish to take a quick moment to comment upon palm oil.

Edible oil is a staple of every diet in the world. As population increases, demand for edible oil rises. As incomes rise, caloric consumption increases, and demand for edible oil rises. There are several sources of edible oil - palm oil, soybean oil, rapeseed (canola) oil and sunflower seed oil – with palm providing nearly 40% of the global edible oil supply. The oil palm tree yields more than 8 times more oil than soybeans per hectare of land, 6 times more oil than rapeseed and more than 7 times more oil than sunflower seed. As the World Bank notes, "With a (global) population increase of 11.6% and a 5% increase in per capita consumption, an additional 28 million tonnes of vegetable oils will have to be produced annually by 2020. Palm oil is well placed to meet this demand with the lowest requirement for new land."

One of the largest sources of palm oil is Malaysia, which has very little remaining land available for expansion. The other large producer is Indonesia, but even if all of the land appropriate for sustainable palm oil were cultivated there, it would not meet demand. The largest source of soy is the United States, which has very little additional land available for expansion. If demand rises, and supply does not keep up, then prices must rise. The biggest importers of palm oil in the world are India and China, which have incomes rising much more quickly than those in Africa. Last year, Africa imported more than \$4 billion of palm oil from Asia. It will be difficult for Africa to compete with China for future limited supplies, and therefore it must take steps to become self-sufficient. The President of Cameroon and his key Ministers understand this well and are taking the necessary steps to ensure food security for the people of Cameroon and the region. It is well



understood that shortages of basic food commodities can lead to social instability. HF is looking to play an important part in ensuring that those objectives are met. We believe that food security issues will be the number one issue facing Sub-Saharan Africa over the next few decades.

We can provide more detail to anyone interested in the supply/demand issues surrounding palm oil specifically and edible oils in general.

All for Africa

Recognizing the limits to your attention, let me clear up one last misperception and injustice. That is the disparaging remarks regarding All for Africa. Let me set the record straight.

All for Africa existed prior to Herakles Farms. It was set up as a vehicle for the implementation of philanthropic projects that might be of interest to our investors. For example, the daughter of one of our investors was interested in higher education for women, and together we designed a project to construct a women's dormitory at a college, where the lack of housing for women was an impediment to attendance. We matched her fundraising and provided on the ground project management.

Over the years we recognized what all NGOs recognize – that often the upfront money to build a school or a clinic is easier to raise than the project's long term operating cash needs. Donors typically prefer to build a school than fund teachers' salaries. But a school without teachers is just an empty building. When we began investing in palm oil, we had an epiphany. Trees generate revenue for more than 25 years. We calculated that 1,500 trees could provide the operating cash requirements of a small school for an entire generation. It could do the same for a small medical clinic. Hence the idea of a palm oil trust was born. Donors could invest in trees for their favorite social projects and provide a long-term benefit. Herakles Farms embraced this as a great social initiative and a way to spread the benefits of our project across a much wider geography.

To date, funds raised by All for Africa have resulted in sufficient trees to endow more than 20 projects. These include everything from a school for disadvantaged girls in the Democratic Republic of Congo to a women's vocational training center in Monrovia, Liberia. It is simple, elegant and nothing more than that. One million trees supporting more than 600 projects would cover no more than 6,000 hectares. All for Africa never meant to suggest that the Palm Out Poverty Campaign was the solution to global warming – only an approach to ensuring the long-term viability of important social projects.

In conclusion:

We believe that the Herakles oil palm project in Cameroon has the potential to transform a poor and underdeveloped region of the country and bring tremendous economic, social and environmental benefits to the people around it.

And to those reporters who reached out to us - thank you, and I hope this answers many of the questions you asked of us.

To those reporters who did not reach out to us - we ask you to please check for yourself. We are also happy to help with fact checking by providing phone numbers, emails, documents, etc. We hope that you will consider writing a story on how the methods used by the Oakland Institute make it more difficult for the private sector to work with the many credible NGOs (even those that disagree with our project) because of the unnecessary noise and distrust that it creates.

To the environmental bloggers - I recognize that many of you will still disagree that palm oil can be developed sustainably. We respect your views, hope you will continue to follow our project and



continue to challenge us to be better. We look forward to demonstrating our commitments to sustainability to you.

To you students interested in activism – jump in with all the passion you can muster. There is so much change that is needed. But please use your minds and do not sacrifice the important principals of honesty and integrity in your efforts. Think about the credibility of the materials you are reading, look for clues (even you can tell a young tree from an old) and remember there are always two sides to a controversy.

To potential donors and volunteers - Please give to those credible organizations that maintain standards of integrity and honesty (even the ones that oppose us). Avoid those that attempt to manipulate and selectively disclose information. Don't assume an organization with an Institute in the name is really an Institute (using Institute in their name should be a clue to begin with). And please tell the Oakland Institute – even if you agree with their overall views – to not use dishonest and/or misleading or intentionally selective information.

To Oakland - It is sad that you have taken such an important topic and made such a mockery of it with untruths, intentional omissions and emotional innuendo. This is a good time for some soul searching and a new commitment to at least a minimal level of honesty and integrity.

Finally to my Greenpeace Friends (whom I used to adore in my younger days for your “ends justify the means” no holds barred Robin Hood attitude) - We look forward to the opportunity for future dialogue around the important issues of edible oils and food security. But find more suitable partners lest it negatively impacts your credibility.

And thank you to everyone who had the stamina to make it to the end of this letter.

Sincerely,

Bruce J. Wrobel
CEO Herakles Farms