



### About NFPP

Nedspice believes that backward integration and sustainability are some of the main challenges for the food industry in the years ahead. To ensure that spice farming remains financially attractive and offers a sustainable livelihood for farmers Nedspice has initiated the development of backward integration programs for farmers in the countries it works in. This ambition is laid down in the Nedspice - Farmers Partnership Programme (NFPP) which defines the approach, key principles as well as the expected results. In this update you will find information about the latest NFPP activities for pepper in Vietnam.

### Crop stage

- The crop is in the ripening stage, with some areas already harvesting the Indian variety. This variety contributes only ~5% of the total production in the NFPP area.
- The region is now entering the dry season, starting from Nov/Dec and lasting till May next year. In this season the harvesting and sun drying takes place.
- Due to unfavourable weather conditions earlier in the season the amount of crop impacted by diseases is higher. We expect production volumes to drop by 10-20% versus last year in some areas, most notably in Gia Lai. Overall 2018 crop is still expected to be similar to last year.

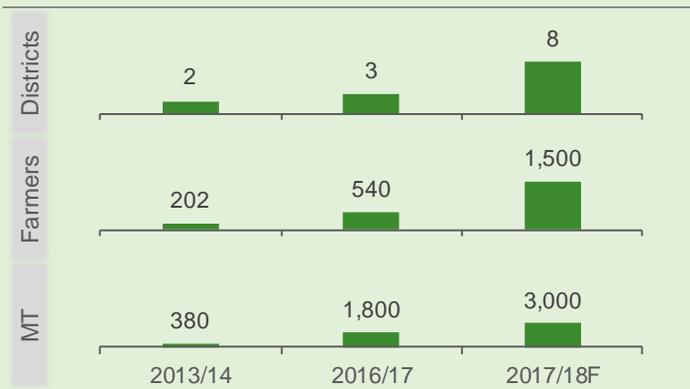
Climate development in NFPP area (2017/18 season)<sup>1</sup>

Stage	Period	☀️ C°	mm ☁️ days	📅	
Vegetative	May – Jun	(4%)	+7%	+0%	✓
Spike formation	Jun – Aug	(2%)	+12%	+44%	✗
Berry setting	Aug – Oct	+1%	(10%)	(12%)	✗
Berry ripening	Oct – Feb	+1%	(38%)	(38%)	
Harvesting	Feb – May				

### Developments

- NFPP started in 2014 in 2 districts within the Binh Phuoc province, involving 202 farmers and delivering 380MT volume.
- Nedspice expanded the program to 540 farmers in 2016/17, almost quadrupling the volume.
- Since the 2017 crop, more than 1,000 new farmers in 5 new districts joined the NFPP, increasing our coverage to the whole Binh Phuoc province.
- The total number of NFPP farmers is ~1,500 this season, almost tripling versus last year.
- This expansion will be the basis to grow our NFPP 2017/18 crop volume to a target of ~3,000 MT.

Program impact and evolution



### Research on weather and diseases



Authorities of Chư Puh district, Gia Lai province, are planning a research project around the pepper death rate as a consequence of weather conditions. The crop yield of many farmers in the district has been impacted by the unfavorable conditions this year.

#### Gia Lai: Khẩn trương rà soát diện tích hồ tiêu bị dịch bệnh chết

Ủy ban nhân dân huyện Chư Puh vừa có Văn bản số 1383/UBND-NL gửi Phòng Nông nghiệp và PTNT cùng UBND các xã, thị trấn và việc khẩn trương kiểm tra, rà soát diện tích hồ tiêu bị ảnh hưởng từ năm 2016, bị dịch bệnh chết trên địa bàn đến ngày 31-11-2017.



### NFPP area overview



1) Stages are indicative for the Vinh Linh variety (largest variety). The percentages represent the change versus the same period last year, considering data till 21-Dec-17. Rainy days are defined as days with >15mm rainfall. Temperature is based on the average of day maximum temperatures over the period.

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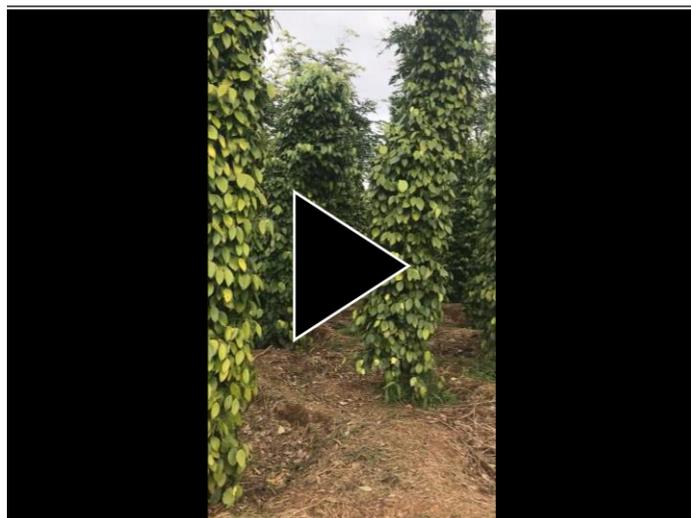


- 14<sup>th</sup> December: Meeting with all 60 farmer club leaders, representing ~1,500 farmers, to review the results and performance over 2017 and discuss the plans for 2018. Key achievements:
  - Total volume of black pepper purchased from NFPP last season is at 1,800MT, which includes 1,200MT from RA farmers and 600 MT from non-RA farmers (NFPP network members). The achievements of NFPP farmers are essential for scale-up activities of sourcing sustainable pepper in the years to come. Nedspice targets sustainable pepper to contribute 30% of the total volume as per the Sustainable Spices Initiative (SSI) objectives.
  - In terms of quality over 80% of the NFPP volume was fully compliant with EU MRL's in 2017.
  - Performance is tracked on a per farmer and farmer club level. There were 7 farmer clubs achieving a very high compliance rate of 90% and above. 180 farmers achieved the perfect score of 100% volume compliance.
  - The incentive policy for 2018 has been announced. A new feature is to reward farmer members for pepper that is free of any pesticides. Based on 2017, it is expected that around 20% of our NFPP sustainable volume will achieve this standard in 2018.

## Farmer leader meeting



## Farm checking for disease impact



## What's next?



- Environment testing analysis in January 2018:
  - Farmers and key stakeholders will review the first testing results of environmental samples taken end of 2017 at pre-harvest time. This covers analysis of soil, water, leaf and berries. After this review action plans will be drafted and implemented on all participating NFPP farms.
- Changes in set up of collecting operations for the coming harvest:
  - In addition to our current buying station in Loc Ninh district, Binh Phuoc province, new collection operations will be set up in other districts.
  - The new operations will be managed from Binh Duong, with also NFPP staff on the ground in these new areas.

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