



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 programmes 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 berry ripening stage. The Indian variety entered into this stage first, followed by the Vinh Linh variety and the Trung variety.
- The rainy season is almost over in the pepper growing areas. Overall, the total rainfall was significantly higher in the spike formation and berry setting stages.
- Heavy rain with high daily temperature caused foot rot and other diseases, leading to c. 10-15% yield loss in some NFPP areas and other provinces. Overall, total production is still expected to be higher than last year though.

Climate development in NFPP area (2018/19 season)¹

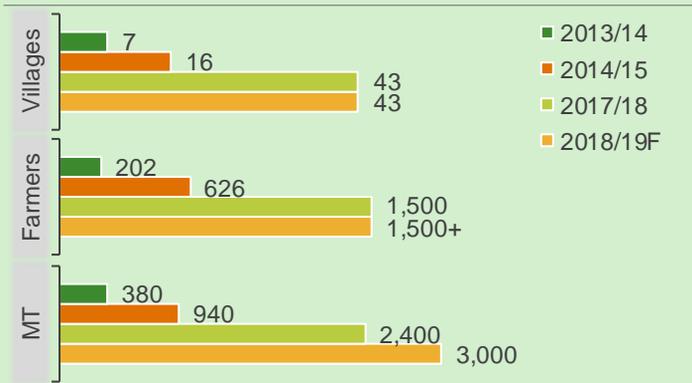
Stage	Period	°C	mm days	
Vegetative	May – Jun	1%	(12%) 25%	✓
Spike formation	Jun – Aug	(1%)	117% 169%	✓
Berry setting	Aug – Oct	(2%)	33% 37%	✗
Berry ripening	Oct – Feb	4%	8% 50%	✓
Harvesting	Feb – May			

Developments



- The NFPP started in 2014 in 7 villages within the Binh Phuoc province, involving 202 farmers and delivering 380 MT of pepper.
- After 4 years, over 1,500 farmers now participate in the programme, with 510 farmers renewing the Rainforest Alliance (RA) certificate. This development will be the basis to maintain the procurement target volume of c. 3,000 MT for this season.
- For the 2017/18 crop, Nedspice launched the NFPP Franchise Programme which enabled more local collectors and farmers to cooperate with Nedspice, ensuring to deliver qualified products with traceability from farm level. A volume of 1,000 MT was procured from this channel.

Programme impact and evolution



New crop



- Diseases in NFPP and highland areas



NFPP area overview



¹) Stages are indicative for the Vinh Linh variety. The percentages represent the change versus the same period last year, considering data till 11-Oct-18. Rainy days are defined as days with >15mm rainfall. Temperature is based on the average of day maximum temperatures over the period

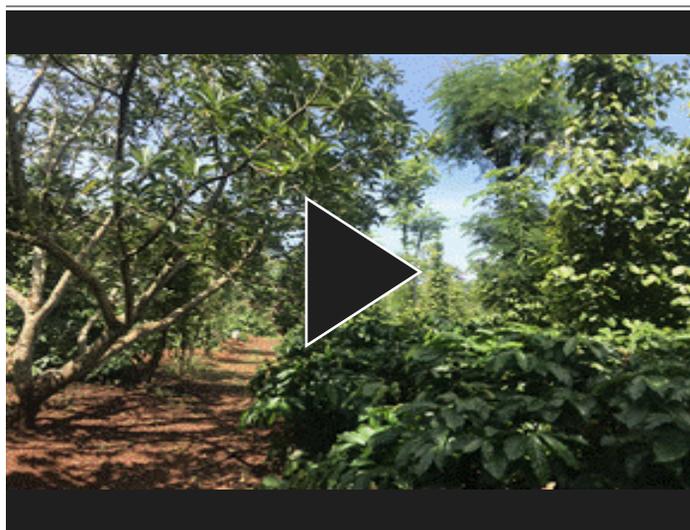


- 11th Sep: Nedspice attended World Economic Forum - Grow Asia conference, contributed to promote sustainable small-holder farmers network in South-East Asia.
- 13rd Sep: NFPP A⁰ farmer members visited factory:
 - A⁰ farmers produce pepper free of pesticides. The visit aimed to help farmers understand the whole chain of custody from farm to factory.
- 15th - 16th Oct: Nedspice visited the new NFPP project in Dak Lak province and kicked-off the full NFPP Franchise model:
 - Aim to scale-up the NFPP programme to other locations to help achieve the 2025 SSI's targets.
 - Apart from the sustainable sourcing target, the intercrop model is also considered to be adopted to our NFPP. Intercropping is more sustainable as it lowers risk for farmers and allows for better distribution of labor.
 - NFPP franchise was granted to a new partner of Nedspice in Dak Lak province. The model aims to increase the sourcing capabilities following the NFPP standards (farmer support, 100% T&T, MRL compliance, environment and society).

A⁰ farmer members visited factory



Intercropping model



What's next?



- Oct - Nov-18: Implement the second phase of "Improving the quality of pepper production" project which is supported by Eurofins and ASSIST. This project aims to research and study the impact of farmer practices to the environment and product quality, with emphasis on the use of pesticides:
 - Soil, water, berry, pepper leaf samples will be tested;
 - The impact of environmental factors to pesticide residues at harvest stage will be analysed.
- Nov-18: Rainforest Alliance internal audit
 - 100% of NFPP and RA farmer members will be visited and audited, following the RA standard;
 - The crop yield and development will be updated;
 - Action plans will be prepared and implemented afterwards.

Nedspice

Netherlands: +31 10 2801 380

United States: +1 843 443 4007

Vietnam: +84 274 37 18 005

India: +91 484 22 23 286

spices@nedspice.com

<http://www.nedspice.com/>

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