



Nedspice-Farmers Partnership Programme

NEDSPICE



Pepper, February 2019



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



- Most crops are at berry ripening stage, some was already harvested from the Indian variety. The peak harvest will start next month, mostly the Vinh Linh variety.
- Excess rainfall impacted several crops during Sep-Oct - 18, resulting in some diseases. However, crop yield is expected to be 30% higher than last year. Currently the weather is supportive for drying pepper with many sunny days.
- Farmers mostly harvest in 1 go instead of the usual 2 or 3 to reduce the labor costs due to the current low prices. The harvest season may finish earlier therefore.

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

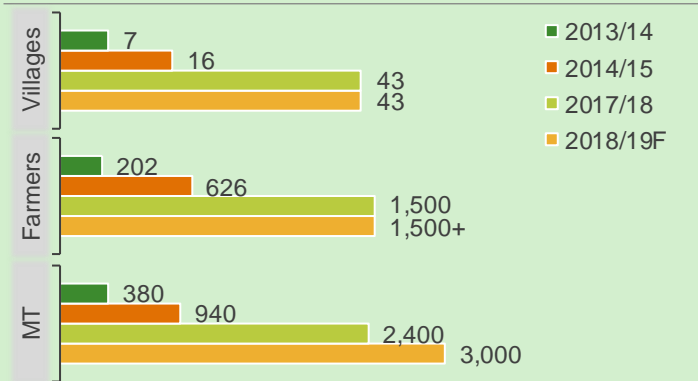
Stage	Period	°C	mm	days	
Vegetative	May – Jun	1%	(12%)	25%	✓
Spike formation	Jun – Aug	(1%)	117%	169%	✓
Berry setting	Aug – Oct	(2%)	33%	37%	✗
Berry ripening	Oct – Feb	3%	32%	(17%)	✓
Harvesting	Feb – May	n.a	n.a	n.a	✓

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, up 25% vs last season.
- For the 2018/19 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 c. 1,000 MT was procured from this channel.

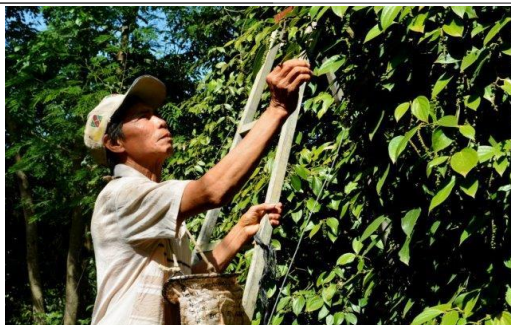
Programme impact and evolution



New crop



- Early harvest in NFPP area.



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-Feb-19. Rainy days are defined as days with >15mm rainfall. Temperature is based on the average of day maximum temperatures over the period



- 26th - 30th November: Cambodian farmers visited NFPP area:
 - The visit aimed to exchange knowledge and farming practices, included the sustainable cultivation such as using living poles, ensuring biodiversity and water management.
- 4th December: Nedspice's CEO presented the topic of "Why our industry and your company needs sustainability" at Vietnam Pepper Outlook (VIPO) 2018, organised by The Vietnam Pepper Association.
- 10th - 31st December: Pre-harvest and harvest training for NFPP farmers:
 - To ensure the compliance of pesticide residues, for example by stopping use of agrochemicals one month before harvest;
 - To use the safe bags to contain pepper hence prevent cross contamination;
 - To provide safety training before harvest.

Pre-harvest and harvest training



Cambodian farmers visited NFPP farmers



Using insecticides

How to remove ant for harvesting

Using traditional ways to remove



What's next?



- Feb - 19: Prepare for collecting/buying stage:
 - Samples will be collected for quality test and following this, the buying team will plan the collection tactics;
 - Daily price communication and handle quality test results to farmers.
- Mar - 19: Expand NFPP project areas:
 - The NFPP programme will be developed in other highland provinces such as Dak Nong, Dak Lak and Gia Lai which are the key pepper growing areas in Vietnam;
 - For the project Nedspice collaborates with IDH and other partners.

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