Black pepper

In the Ba Ria-Vung province of Vietnam, Olam SVI works with a group of 166 farmers to produce Rainforest Alliance certified black pepper. Farmers are supported to apply Sustainable Agriculture Standards (SAS), developed by the Sustainable Agriculture Network (SAN) to generate ecological, social and economic benefits and market access.

166 farmers
8% women

Charter Principles 2016 key facts

1. Finance
- Vietnam law prevents direct micro-finance from private Foreign Direct Investment (FDI) companies

2. Improved yield
- 100% of farmers trained in Good Agricultural Practices
- 5 farmer field schools

3. Labour practices
- 100% of farmers trained in good labour practices

4. Market access
- 442 tonnes certified by Rainforest Alliance

5. Quality
- Packing materials supplied to farmers
- Weighing scales and quality checking equipment distributed at the farmer cooperative buying locations

6. Traceability
- 100% tonnage is traceable

7. Social and infrastructure investment
- US$2,600 spent on drinking water and sanitation facilities
- Food parcels distributed to celebrate the Lunar New Year (rice, edible oil, sugar etc.)

8. Environmental impact
- 100% farmers trained in water stewardship, soil fertility and Integrated Pest Management.
- Farmers encouraged to plant trees as living poles for the pepper vines
- Training includes the importance of digging waste pits, rather than burning; ecosystem conservation and wildlife protection.

Mr Tran Hieu, a pepper grower in Tanbang hamlet of the Quang Thanh commune, Chaduc district, Baia-Vungtau, Vietnam.

"I was happy to join the sustainable pepper project of Olam. We are trained on pepper cultivation based on Good Agricultural Practices. We know how to apply fertilisers, use bio-pesticides and pesticides based on the '4 Rights': right pesticide, right dose, right time and right application method. We do not use pesticides in the prohibited list and try to use more bio-agents to control pests and diseases in pepper. We have also applied the drip irrigation technology and this helps save water, energy and labour for irrigation. We apply balanced fertilisers and use more manure to improve the soil fertility. We hope to get higher yields, better pepper production and a higher price for our pepper with lower chemical residue."

Rice

Olam’s 10,000 ha rice farm and mill produces rice for the Nigerian market. The farm also acts as a catalyst to support almost 4,000 smallholder rice farmers in nearby communities. Olam provides training and improved rice varieties, and then buys the crop to be processed at the mill on the rice farm. 475 farmers have been receiving the full Olam Livelihood Charter (OLC) support.

475 farmers
7% women

Charter Principles 2016 key facts

1. Finance
- US$16,875 in finance for seeds

2. Improved yield
- 100% of farmers trained in Good Agricultural Practices over 36 training days

3. Labour practices
- 100% of farmers trained in good labour practices

4. Market access
- 622 tonnes procured from 675 hectares

5. Quality
- Investment in post-harvest assets: 5 warehouses taken on lease
- 1.5-2% improvement in rice out turns as a result from better land preparation, supplying high quality certified seeds to farmers, and training on ideal post-harvest technologies ensuring a homogenous grain quality with lower foreign matter

6. Traceability
- 100% tonnage is traceable

7. Social and infrastructure investment
- Farmers linked to finance institutions (see case study)

8. Environmental impact
- Farmers receive training on safe handling and use of herbicides and pesticides, and correct disposal of empty containers
- Bunds within and around the plots conserve rain water, helping to protect the soil from erosion.

Linking farmers to banks

In its efforts to improve food security and reduce rice imports, the Nigerian government has established various financial schemes to help farmers invest and improve yields. These are supported by various banks, International Fund for Agricultural Development (IFAD), USAID and the Nigerian State Department of Agriculture. As part of our smallholder out-reach programmes we have been hosting meetings across the villages to help the smallholders access the finance on offer. However, often the villagers lack the valid identity documents which must then be secured.

In 2016 we signed a Memorandum of Understanding with the rice farmers committing to buy their rice at a fair and transparent price - a key OLC component. We pay within 24 hours and have set up a price monitoring committee which includes representatives from the farmer groups. The crop is brought to different collection centres by the farmers where it is weighed for payment.