

THE OFFICIAL OLAM SPICES SUSTAINABILITY NEWSLETTER

# GROWING RESPONSIBLY



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# Re-Generating the Living World

## Olam Spices Takes Regenerative Agriculture to India

In our chili pepper production in India, Olam Spices is taking a holistic approach to farming - using regenerative strategies to enhance natural systems and support resilient communities. So far, we have conducted trainings in a variety of topics related to eco-friendly pest management and soil health. As a result of the trainings, **138 farmers applied maize and jower (sorghum) as a border crop and marigold as a trap crop on more than 1,000 acres** to naturally manage pest populations. “Trap” and “border crops” divert pest populations from the main chili pepper crop, simultaneously minimizing the use of insecticides and the cost of production for growers.

Related to soil health and composting, **200 chili farmers applied organic manure on more than 1,000 acres and 38 farmers adopted green manuring on more than 200 acres.** These practices

increase soil organic matter and improve the nutrient status of soil. Similarly, **12 farmers incorporated crop residues into soil on more than 45 acres,** management practices that reduce evaporation, improve soil structure, and fix CO<sub>2</sub>.



## Prosperous Farmers and Farming Systems

### Digital Disruption: Olam Direct in Cambodian and Indonesian Black Pepper

Olam Direct is a digital platform developed in-house by Olam to disintermediate the supply chain and increase farmer incomes by providing farmers with real-time information about market prices and tips to improve crop quality and yields. In most places where Olam sources commodities, supply chains are very rural and fragmented. Without access to market price, farmers often do not have the insight needed to negotiate with intermediaries nor to plan when and to whom they should sell their product to achieve their full earning potential. Using their own phone, they can raise a sales intent, fix a contract, sell at a price of their choosing, and receive payment. The platform has been launched globally throughout Olam in local languages.

In 2019 Olam Spices registered more than 3,800 Cambodian farmers and purchased more than 1,200MT of black pepper through the platform. We also piloted the platform in Indonesia and purchased over 500MT of black pepper from these farmers. The program will scale in 2020.

By removing the “middleman”, Olam Spices farmers benefit from price discovery, receive a greater share of the wallet, and are provided with payment within 24 hours. Simultaneously, Olam and its customers benefit from a fully traceable and transparent supply chain in which each-and-every transaction is recorded in Olam Direct.

[WATCH THE VIDEO TO LEARN MORE >](#)

## A Golden Opportunity for Sustainability

Olam is currently working on developing a sustainable agriculture program involving over 100 turmeric farmers in India. Manuals were distributed to the growers on sustainable agriculture standards and guidelines and training was provided on Good Agricultural Practices (GAP), covering topics such as biodiversity, conservation, and safe

use of pesticides. Along with GAP trainings, community development and awareness programs were conducted on gender equality, women's empowerment, and child labor. Outside of trainings, the program supports the growers through free soil and water testing in order to improve soil fertility, crop yields, and ultimately growers' incomes.



## Improving the Value Chain

In December of 2019, Olam Egypt hosted 20 smallholder farmers along with a representative from the USAID Egypt Food Security and Agribusiness Support Project (Egypt FAS) to provide necessary training and support to farmers. During the visit, farmers participated in a two-hour session with Dr. Mostafa Afifi (Agriculture consultant and expert), where they discussed crop care and optimum use of agricultural inputs to improve on-farm production.

In order to build trust and communication across the supply chain, Olam was also keen to learn from the growers about the challenges smallholders face in Egypt and how they can help. Related to post-harvest processes, farmers toured the Olam factory and facilities to gain a deeper understanding of

onion processing and the important role farmers play in supporting consistent processing qualities such as particle size and color.



# Thriving Communities

## Partnering to Provide Clean Water, Sanitation and Hygiene

Olam and Nestle have partnered together on several projects related to water, sanitation, and hygiene (WASH) in our Indian red pepper supply chains. Four projects in three different villages including Kambhampadu, Vatsavai, and Madupalli were completed in January, 2020. In both Vatsavai and Madupalli, toilets and urinals were built to support two Zilla Parishad schools that will benefit a total of 1200 children. In Kambhampadu, a 500 Liter per Hour (LPH) Reverse Osmosis water plant was installed to support 200 families.

Previously, these families relied on unsafe drinking water from boreholes and municipal water which are often contaminated during the rainy season. With the new 500 LPH Reverse Osmosis water plant, villagers now have access to safe drinking water. The projects were made possible through an equal cost share with Nestle and to date our two companies together have contributed over 13,000 dollars to support these WASH initiatives and keep communities healthy.



## Olam Spices - US Forest Service Watershed Improvement Project

The Olam Spices Fresno office is located just an hour outside the iconic Yosemite National Park, located in California's Sierra Nevada mountain range. The park is famed and enjoyed by people around the globe for its giant sequoia trees, hiking, biking, rock climbing, and general recreation\*.

Along with recreation, the Sierra Nevada mountain range is the source of 70% of freshwater resources throughout California. Healthy forests and meadows act as a natural sponge and aquifer storing excess rainwater and snowpack throughout the winter, allowing it to slowly release over time into California's complex network of rivers and aqueducts. Ultimately, this surface water makes its way to the central valley where growers use the water to irrigate 3 million acres of cropland.

In recent years, California has experienced unprecedented periods of drought, record breaking floods, and devastating wildfires. Partially caused by years of poor forest management, Olam Spices is partnering with the US forest Service (USFS) to restore the Pine Flat Watershed which provides water to support 3 Olam processing facilities, roughly 80 Olam Spices partner farmers, over 22 thousand

acres of Olam Spices irrigated cropland, and numerous Central Valley Communities. The project includes activities such as prescription burning, vegetation management, cone collection, and reforestation\*\*. Over a ten-year period the project is slated to reduce emissions by an estimated 65 thousand MT and replenish up to 1.4 billion gallons of water.

Supported by our AtSource platform and USFS expertise, we will be able to quantify the amount of carbon sequestered, quantity of water saved, and positive impacts to other material areas including biodiversity, air quality, and access to recreation. If you are interested in learning more about the project please reach out to our sustainability manager at [claire.loudis@olamnet.com](mailto:claire.loudis@olamnet.com).

\*The Academy Award and Emmy winning movie "Free Solo" takes place in Yosemite National Park and features Alex Honnold and his historic climb of Yosemite's El Capitan.

\*\*Fun Fact: Did you know cones for reforestation are collected through various methods including climbing and shooting! In climbing, the climber ascends the tree using a harness and uses a long hook to pull the branch closer to them, ultimately storing the cones in a sack secured to their harness. In shooting, cone-bearing branches are actually shot off the tree using a .223- caliber rifle with a heavy barrel.

For more news and stories from around Olam Spices, be sure to follow us.

