

The second most expensive spice in the world

Madagascan smallholders supply high quality vanilla to international food industry



The challenge

After saffron, vanilla is the second most expensive spice in the world due to its sophisticated and time-consuming production process. Around 79 percent of the vanilla used in the food industry is produced in Madagascar, mostly in the tropical forests in the northern regions of Diana and Sava. About 70,000 families rely on the production of vanilla as their main source of income here. Despite the very high workload, only a small fraction of the profits from the lucrative vanilla trade ends up benefiting these families. In order to sell their products, they typically rely on middlemen who pass on only small amounts of the profit. For most of the families vanilla is the main cash crop, which makes them highly dependent on yield and sales price. Furthermore, the vanilla plant is very sensitive to climate changes. Changing rainy seasons and periods of drought have increasingly led to the loss of produce or quality, which poses a major threat to the primary source of income for families in these areas.

Our approach

From 2010 to 2012, a previous partnership between Symrise and GIZ in the Diana-Region of northern Madagascar has shown promising results: 500 farmers were trained on sustainable agricultural practices, fairtrade standards and principles of certification and marketing. They have increased their productivity and created greater income opportunities by expanding their cultivation to include other crops. At the same time, Unilever successfully partnered with Symrise to develop certified sustainable vanilla for its ice cream brands.

In January 2014, Unilever, its supplier Symrise and GIZ signed a partnership to intensify their commitment to Madagascan vanilla farmers. They intend to improve the livelihoods of 4,000 vanilla farmers in the Sava region, while ensuring the sustainable production and supply of high quality vanilla. Their strategic alliance includes a comprehensive three-year programme that will impact 32 communities and involve 44 schools and

colleges. The project has the potential to improve 24,000 lives in one of the world's poorest nations.

The programme is partly financed within the framework of the develoPPP.de programme of the German Federal Ministry for Economic Cooperation and Development (BMZ).

What we do

The programme operates through farmer field schools and demonstration farms to both increase productivity in the vanilla production and also encourage crop diversification. As a result, farmers can earn more money from vanilla, improve their food self-sufficiency and also sell other crops during lean periods. Consequently the farmers' economic independence will

"In our Unilever Sustainable Living Plan, we have set clear and ambitious targets for engaging with smallholder farmers, and this is a wonderful example of how we can help them improve their agricultural practices, to enable them to become more competitive. The fact that this programme has a focus on agricultural entrepreneurs and prioritizes women for training makes it even more valuable. For us, this is a key example of how a partnership can work to increase the positive social impact in our supply chain."

Dhaval Buch, Chief Procurement Officer Unilever

"We are very excited about the comprehensive development programme we have now set up together with our partners Unilever and GIZ. Sharing Values is at the heart of our corporate strategy. This renewed commitment is an opportunity to create value for all."

Dr. Heinz-Jürgen Bertram, CEO of Symrise AG



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be enhanced. The integrated education programme will also support environmental education in primary schools by training teachers and providing teaching kits. The goal is to establish a learning platform of rural agricultural colleges for the vocational training of adolescents.

Throughout the project equal opportunities will be provided to both women and female students, as they represent about 50 percent of the communities and are actively involved in farm management: between 20 and 30 per cent of the farmer households heads are female.

About the partners

Symrise and Unilever have been working with smallholder farmers in the Sava region for a number of years already, and this partnership will accelerate plans on the ground. Symrise has been described as 'passionate pioneers' in the sustainable sourcing of vanilla. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements. Economic success and corporate responsibility are inextricably linked as part of their corporate strategy. The company was awarded the German Sustainability Award in 2012.

Unilever is one of the world's leading suppliers of food, home and personal care products with sales in over 190 countries. Their products are present in 7 out of 10 homes globally and are used by over 2 billion people on a daily basis. Unilever uses vanilla as an ingredient in its leading ice cream brands, such as Magnum, Breyers and Carte D'Or. The partnership aims to secure Unilever's future vanilla supply and support the farming communities with improved access to secondary education and training in agricultural best practices.

GIZ, operating as a German federal enterprise in the field of international cooperation for sustainable development, will support the project with training materials and concepts for small-scale farmers. Furthermore, GIZ will develop tools that will help farmers to better negotiate sales prices for their agricultural produces.

Expected impacts

- Sustainable production practices will increase the productivity in the vanilla production, benefitting 4,000 farmers in 32 communities in the Sava region.
- Farmers will grow additional crops and thus, increase their income and enhance their economic independence.
- Environmental education will be integrated in primary schools.
- Farmers and their children will get improved access to secondary education and training in agricultural best practices. In total, 44 schools and colleges will be involved in training activities.
- The programme has the potential to improve 24,000 lives in one of the world's poorest nations.
- The supply of high quality vanilla for the international food industry will be ensured.

At a glance

Term:	January 2014 to December 2016
Country:	Madagascar
Objective:	Improve the livelihoods of 4,000 vanilla farmers in the Sava region, while ensuring the sustainable production and supply of high quality vanilla.
Partners:	Unilever, Symrise and GIZ
Impacts:	<ul style="list-style-type: none">• 4,000 vanilla farmers increase agricultural productivity and diversify their income sources.• The farmers' lean season decreases from 5 to 2 months.• At least three autonomous rural colleges are set up.• Supply chain of sustainably produced vanilla is set up.

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