

Better Life Farming

Unlocking the Full Farming Potential of Vietnam Coffee Smallholders

In Vietnam, Better Life Farming an alliance of leading private-sector companies will develop sustainable and scalable business models with global and local partners to improve coffee smallholders' livelihoods.

HoChiMinh, December 04, 2018:

With its delightful flavor, coffee has become an indispensable part in the list of beverages around the world. Vietnam is the 2nd biggest exporter of coffee in terms of value globally with more than 80% of the Vietnam coffee growers is smallholder farmers. For these smallholders, coffee beans aren't just a delights, it's their main source of livelihood for the whole family.

However, smallholders are particularly vulnerable to many existential threats, including adverse climate impacts, pests and crop diseases, poor infrastructure, rural migration, fluctuating commodity prices, and regulatory barriers. They also have limited access to modern agricultural practices and technology and to finance and markets. Because of these challenges, they can often only realize a fraction of their potential productivity.

"My family has been growing coffee for several generations. Although the field is small, it is the source of living for our whole family. Similar to other smallholders, we found it difficult to grow coffees", said by farmer Mr. Tran Van Manh, Tan Xuan Ward, Di Linh District, Lam Dong Province, Lam Dong Province, Vietnam.

On October 15, 2018, Bayer, International Finance Corporation (IFC, a member of the World Bank Group), Netafim, and Swiss Re Corporate Solutions along with local partners launched Better Life Farming for rice-growers in Asia at the International Rice Congress in Singapore. Today (December 04, 2018), the global alliance for the Vietnam coffee was launched in Vietnam together with local partners Khang Think Irrigation Technology JSC (KT) and ACOM.

In 2018, we have Better Life Farming coffee pilots in Lac Duong and Di Linh District in Lam Dong Province covering 190 farmers with a total of 300 hectares. The alliance focuses on providing knowledge and technology access via training, field advisory on good agriculture practices including pest management, nutrition management and precision irrigation. The alliance also enables the access to premium coffee market with transparent price. As a result, in LacDuong District, on Arabica coffee, we achieved 33% yield increase in comparison to current farmer practices in the region. In Di Linh District, on Robusta coffee, we achieved 29% yield increase in comparison to current farmer practices in the region.

Sharing his experience and future plan, Mr. Ci'l Mup Ha Phang, Dung K'Noh Ward, a coffee smallholder from Lac Duong district, says, "By joining this program, I got lots of supports on knowledge, farming practices, agri inputs and off-taking. I'm very happy to join this program. I have plans to invest in an automatic spraying and irrigation system, and moreover, take

care of my children until they finish university. I am proud to successfully follow our traditional career, as well as keep our family stability and well-being”,

“We want to work together with smallholders to demonstrate, how dedicated and passionate coffee smallholder farmers are managing their farm as a business to raise their family members and improve the living standard. By helping smallholder coffee growers to unlock their full agricultural potential, we enable them to generate higher incomes, improve their livelihoods, and make farming attractive for future generations so that rural communities can thrive. Bayer together with partners will develop customized solutions which really have impact on their productivity and with that supporting them on their journey to grow their farming business and improve their livelihood”, said Mr. Kohei Sakata, General Director of Bayer Vietnam.

“The purpose of ACOM joins Better Life Farming alliance in Vietnam is to provide last mile delivery of services and products to the rural population, contributing to the improvement in yields and net incomes at farm level, decreasing farmer (financial) risks through diversification, and eradicating zero tolerance points like forced or child labor, dangerous application of agrochemicals, degradation of the environment and deforestation. With a long-term vested interest in the sustainability of its farmer suppliers, ACOM together with partners is stimulating inclusive business models to create shared value.” said Mr. Laurent Bossolasco, Head of Sustainable Management Services – Asia of ACOM.

“Vietnamese smallholder coffee farmers are vulnerable to multiple challenges, from adverse climate impacts to difficulties in accessing inputs and finance. As a result they realize a fraction of their potential productivity. As part of the Better Life Farming Alliance, IFC helps smallholders bridge these gaps through supporting training initiatives, improved financial literacy and access to finance, so they can manage their farm as a business”. Said Colin Taylor- IFC East Asia/Pacific Regional Lead, Agribusiness Advisory Services.

Tal Brod, Managing Director, Netafim South East Asia said: "Coffee production is a very competitive business today, and with climate change, the future is going to be even more challenging. As part of the BLF alliance in Vietnam, Netafim is helping smallholder coffee growers to “grow more with less” by providing precision irrigation systems and agronomic best practices. Coffee growers can now significantly increase their yields, reduce their dependency on the weather, and ensure sustainable economic growth."

Looking forward

After successful pilots, Better Life Farming plans to scale up to reach more farmers. The continuous effort on the training, onboarding of the right partners, reaching more farmers using digital solutions and finding right financing solutions are the keys to success. Partners of Better Life Farming will continue to evaluate the smallholders’ challenges and adapt the approach in order to constantly improve.