



**IFC**

**International  
Finance Corporation**  
WORLD BANK GROUP

*Creating Markets, Creating Opportunities*

# REAPING EQUALITY

**CREATING  
SUSTAINABLE  
PEPPER SUPPLY  
CHAINS BY  
STRENGTHENING  
THE ROLE OF  
FEMALE FARMERS  
IN VIET NAM**



With the support of  
Government of Japan



**Fias** THE FACILITY  
FOR INVESTMENT  
CLIMATE ADVISORY  
SERVICES

**we-fi**  
WOMEN ENTREPRENEURS  
FINANCE INITIATIVE

**McCORMICK**



### PROJECT LOCATION

Viet Nam



### PARTNERS

International Finance Corporation (IFC) and McCormick & Company



### FUNDING

Government of Japan, Facility for Investment Climate Advisory Services (FIAS), and the Women Entrepreneurs Finance Initiative (We-Fi)



### CLIENT

McCormick & Company is a global leader in the flavor industry. With sales across 170 countries, the company manufactures, markets, and distributes spices, herbs, seasoning mixes, condiments, and other flavoring products.



### CHALLENGE

Despite comprising the majority of the workforce, women lack access to technical training and decision-making, impacting women farmers' progress and the quality of Viet Nam's pepper production.



### IFC'S ROLE

IFC's intervention encompassed a digital learning tool, in-person agricultural and leadership capacity building, and the creation of Pepper Farmer Women Clubs to facilitate women's access to training and raise awareness about gender-based violence in farming communities.



### RESULTS

The integration of female farmers in McCormick's supply chain in Viet Nam increased from 9 percent in 2019 to 51 percent in 2022. Female farmers' decision-making on fertilizer purchases increased from 27 percent in 2019 to 50 percent in 2022; their involvement in selling peppercorns grew from 44.5 percent to 70 percent in the same period. McCormick's suppliers were able to engage with more female farmers through the project — 678 in the 2021/2022 crop cycle compared to 97 registered farmers in the 2019/2020 cycle.



## CONTEXT

Viet Nam is one of the world's most dynamic emerging economies. The country had a remarkable journey going from a low to middle-income status, lifting 40 million people out of poverty between 1993 and 2014.<sup>1</sup> Agriculture has been a key driver of Viet Nam's development trajectory. With agriculture production jumping by 189 percent over the past three decades, the country is recognized as the leading producer of black pepper, coffee, cashews, cassava, rubber, and tea.

The pepper sector holds a prominent position in Viet Nam's agricultural activities. Viet Nam is the world's largest black pepper producer and exporter, with over 50 percent of the global market share.<sup>2</sup> However, the pepper farming industry faces sustainability and economic challenges, such as fluctuations in pepper prices globally due to over-supply caused by over-plantation. Both male and female pepper farmers are known to encounter difficulties in the region,

including limited knowledge of sustainable farming practices and insufficient extension support for training and capacity building. These conditions result in poor-quality harvests and restricted opportunities for farmers to increase their income and professionalize their production.

Despite women comprising 80 percent of Viet Nam's smallholder pepper labor force,<sup>3</sup> existing social norms limit their access to education and earning potential, echoing a global trend where women make up 43 percent of the agricultural workforce<sup>4</sup> but earn nearly 20 percent less than men.<sup>5</sup> Gender norms designate women as primary caregivers which further restricts their mobility and access to opportunities. Viet Nam stands 72<sup>nd</sup> in gender inequality among 146 countries as of 2023,<sup>6</sup> and the gender gap is evident in pepper production. Women farmers lack or have limited access to credit, networks, farming inputs, and technical training, which are critical for the quality of their produce.



## COMPANY

Since 1889, McCormick & Company has been considered a global leader in the flavor industry. Based in Maryland, United States, McCormick's sales span over 170 countries, and the company specializes in manufacturing, marketing, and distributing spices, herbs, seasoning mixes, condiments, and other flavoring products.<sup>7</sup> In addition, McCormick sources and processes various agricultural commodities, including peppers, with a strong commitment to sustainable sourcing and responsible farming practices to minimize environmental impact. With Viet Nam as a key sourcing hub, McCormick actively collaborates with local farming communities to encourage and implement sustainable agricultural practices.<sup>8</sup>

Given the global demand, Viet Nam's pepper industry faces several sustainability challenges, such as excessive water use, chemical residues above allowed levels, lack of farm-gate testing, quick wilt disease, deforestation impeding pepper production, and poor water and post-harvest management practices. These challenges are further compounded by one variety of black pepper called 'Vinh Linh' being predominant across the country and the overplanting of pepper that exceeded government planning by 300 percent, leading to an oversupply and fluctuations in world pepper prices.

In response, McCormick has made sustainable sourcing a top priority. The company is dedicated to establishing a fully sustainable pepper supply chain in Viet Nam by 2025.

“ McCormick has committed to increasing resilience and improving livelihoods of communities and smallholder farmers—especially women. We understand the important role women play in agriculture and this project exemplifies the positive impact of multi-stakeholder partnerships on women's empowerment within our supply chains. ”

**Michael Okoroafor**

Chief Sustainability Office, McCormick & Company

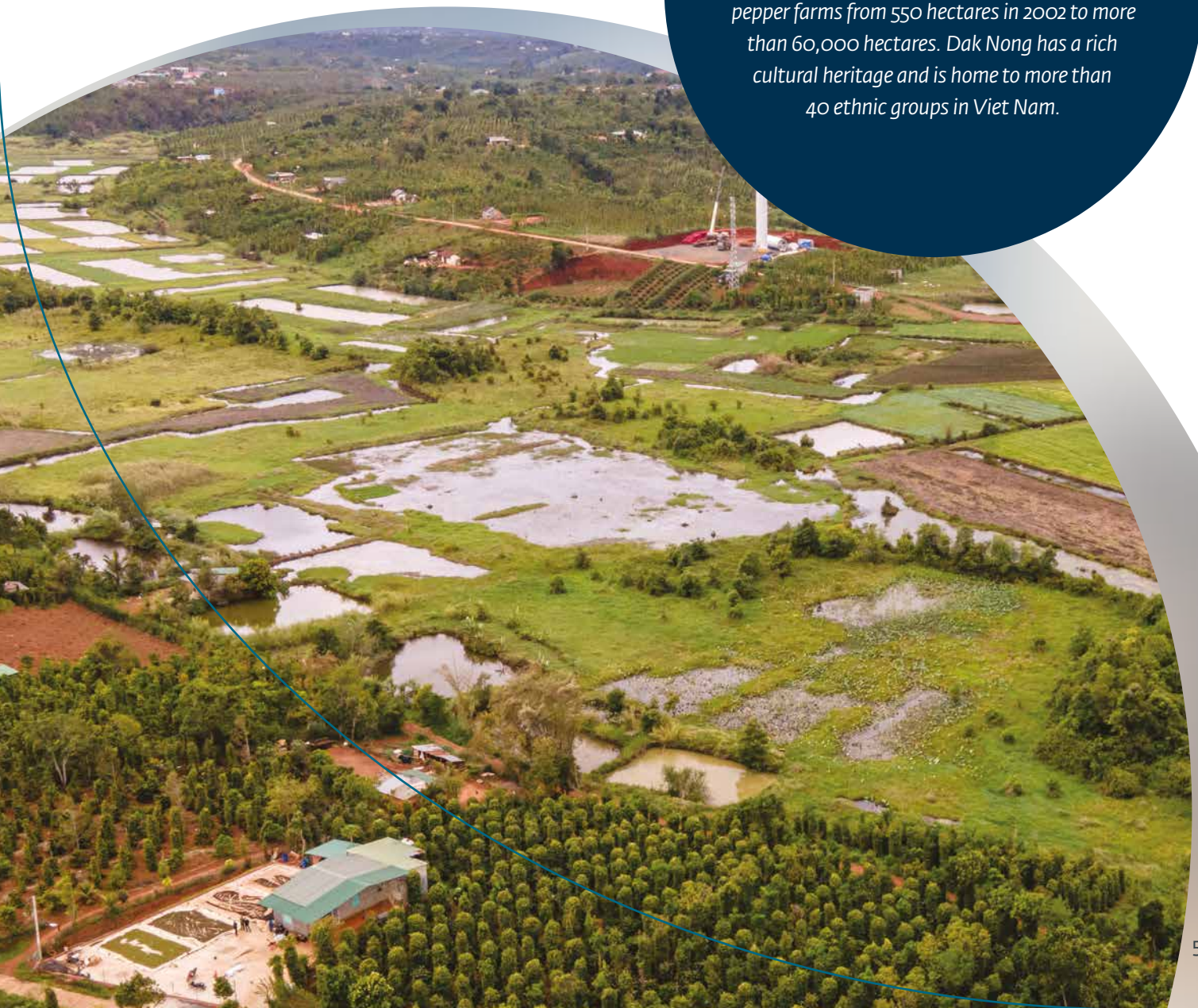


## PARTNERING WITH IFC: THE SUSTAINABLE PEPPER VIET NAM PROJECT

In response to these challenges and to realize its goal, McCormick and three of its main pepper suppliers in Viet Nam, partnered with IFC to improve the revenue and productivity of female pepper farmers and promote their integration into the company's supply chain. The project thereby took a multi-spectrum approach and aimed to empower and build the capacity of over 2,000 farmers in the central Dak Nong province, one of the pepper capitals of Viet Nam.

The project helped McCormick and its suppliers build direct relationships with women farmers, ensured female and male farmers got equal access to training and information on sustainable agricultural practices and increased female farmers' influence over household and business decisions by recognizing their significant role in pepper production.

*Dak Nong province, located in the Central Highlands bordering Cambodia to the west, is one of Viet Nam's biggest producers of black pepper. Its temperate climate has helped drive dynamic growth in pepper farms from 550 hectares in 2002 to more than 60,000 hectares. Dak Nong has a rich cultural heritage and is home to more than 40 ethnic groups in Viet Nam.*



The specific components of the project were:

### 1. Agricultural Capacity Building & the Pepper Farmer Women Clubs

Culturally, men regard technical knowledge as an exclusive aspect of their role in pepper farming. To increase women's participation in the program, IFC adapted a training program from a gender-sensitive lens and helped establish **11 Pepper Farmer Women Clubs** to provide training venues for capacity building considering flexible options to adjust training locations, times, materials, and mode of delivery. In addition, the organizers also provided free childcare during the training period.

In the trainings, female farmers built technical knowledge of pepper farming and learned about general topics such as health, nutrition, child development, and sanitation. The training included e-learning modules accessible through **'Vietpepper' App** - a regularly updated mobile application. With in-person and e-learning modules, the trainings specifically focused on empowering women as 'Lead Farmers', thereby challenging traditional gender roles in pepper farming.

### 2. Working with Suppliers' Field Teams

The Pepper Farmer Women Clubs facilitated the extension of outreach to female farmers by three of McCormick's suppliers. By establishing strong partnerships with the suppliers' field teams, they were able to directly connect with women who were actively involved in farming activities, even those who were not officially registered with these suppliers. This approach fostered women farmers' inclusion and involvement in McCormick's supply chain.

### 3. Supporting Female Farmer Entrepreneurship & Knowledge Building

IFC's Women's Entrepreneurs Finance Initiative (We-Fi) supported the project to build the entrepreneurial capabilities of female farmers, enhance their knowledge in pepper farming and improve their proficiency in farm management. Through We-Fi, the project worked with selected women-led agribusinesses to upgrade their business acumen to meet McCormick's sustainability standards.

### 4. Gender-Based Violence Assessment & Support Provision

Interactions with the female farmers revealed the prevalence of Gender-Based Violence (GBV) in the region. In response, IFC conducted a comprehensive GBV evaluation to gauge the scope of this problem within farming communities and its impact on rural livelihoods and pepper production. The assessment also examined the accessibility of support services for domestic and sexual violence survivors in the project areas, providing valuable insights for future interventions.



*"Through planting demonstrations, I realized that I made a lot of mistakes before in using chemicals extensively. The Vietpepper App (IFC's e-Learning Tool) includes specific sections on sustainable pepper techniques, a list of recommended pesticides, and a crop calendar. Its task reminder function is especially useful to remind me of farming actions in due course,"*

**Vo Thi Hong, Dak Nong province,  
Farmer and beneficiary of the  
training program**





## RESULTS & IMPACT

IFC provided training to 748 women in various aspects of agriculture, including farmer group management, integrated pest management, and harvest and post-harvest handling, all while adhering to export market standards. With the assistance of the Women Entrepreneurs Finance Initiative (We-Fi), the project grew significantly, reaching 166 women-led farming businesses to equip them with enhanced business skills and the capability to meet McCormick's sustainability standards.

Training women was a key component of the project, given its efficacy in increasing technical knowledge and motivating them to assume a more proactive role in pepper production. This resulted in notable improvements in women's autonomy and sense of ownership over their crops: women's decision-making on fertilizer purchases increased from 27 percent in 2019 to 50 percent in 2022, and their involvement in selling peppercorns grew from 44.5 percent to 70 percent in the same period. Furthermore, female farmers displayed remarkable agility in adopting sustainable farming practices, as field teams reported improvements in the quality of the pepper post women's engagement in the project.

The Pepper Farmer Women's Clubs played a pivotal role in the project's positive impact. They served as a secure platform for women to openly discuss issues affecting their participation and productivity in pepper production, including concerns related to gender-based violence and household responsibilities. The Clubs also allowed McCormick's suppliers to reach more female farmers through tailored training programs. As a result,

in the 2021/2022 crop cycle, McCormick's three suppliers were able to engage with a significantly larger number of female farmers, totaling 678 participants compared to just 97 registered farmers in the 2019/2020 cycle. Consequently, the integration of female farmers into McCormick's supply chain in Viet Nam witnessed substantial growth, increasing from 9 percent in 2019 to an impressive 51 percent in 2022.

The project achieved its success by capitalizing on three fundamental elements: innovation, adaptability, and active field involvement. The creation of Pepper Farmer Women Clubs served as an original approach to surmount social and cultural obstacles. Simultaneously, the close collaboration with the supplier teams in the field significantly increased the engagement of a larger number of female farmers and facilitated their official inclusion in McCormick's supply chain. The project effectively brought together key players and stakeholders to acknowledge the resilience and commitment of women in agriculture and their contributions in fostering economic growth and promoting broader sustainable development.

**748** 

Female pepper farmers trained.

**166** 

Women-owned farming businesses upgraded their business skills and capability to meet McCormick's sustainability standards.

**51%** 


Share of women working with McCormick's suppliers in 2022, compared to 9% in 2019.

**50%** 

Share of women who now decide on fertilizer purchases, compared to 27% in 2019.

**7 TIMES**

Increase in the number of female farmers directly working with supplier extension teams since 2019.

**70%** 

Share of women who now sell the pepper-corn they grow, compared to 44.5% in 2019.





## ENDNOTES

- 1 Working Together: Vietnam & the IMF <https://www.imf.org/en/Countries/VNM/vietnam-raising-millions-out-of-poverty>
- 2 Women Entrepreneurs Finance Initiative (We-Fi). "Improving Sustainability of Women Pepper Farmers." We-Fi. <https://we-fi.org/project/improving-sustainability-of-women-pepper-farmers/>
- 3 Gender-Related Social Norms and How They Affect Women's Futures in Agriculture, Agri links, March'21 <https://agrilinks.org/post/gender-related-social-norms-and-how-they-affect-womens-futures-agriculture>
- 4 United Nations News. "Gender inequalities in food and agriculture are costing world \$1 trillion: FAO" UN News <https://news.un.org/en/story/2023/04/1135597>
- 5 Global Gender Gap Report 2023, Insights Report, World Economic Forum [https://www3.weforum.org/docs/WEF\\_GGGR\\_2023.pdf](https://www3.weforum.org/docs/WEF_GGGR_2023.pdf)
- 6 McCormick Corporation. "Company" <https://www.mccormickcorporation.com/en/company>
- 7 McCormick. Black Pepper <https://www.mccormick.com/black-pepper>
- 8 McCormick & Company Advances Grown for Good Sustainability Standard for Suppliers Around the World <https://ir.mccormick.com/news-releases/news-release-details/mccormick-company-advances-grown-good-sustainability-standard>

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