

USDA | INDONESIA SPICE TRADE ALLIANCE PROJECT (ISTA)

OCTOBER 1, 2019 - SEPTEMBER 30, 2024



AT A GLANCE

Funded By:
USDA

\$13,770,000

Commodities:
**Vanilla, Black Pepper,
Cinnamon**

TARGETS

Farmers
14,000

Farmers Groups
560

Nurseries
125

5 projects managed, **120** farmer-owned and operated

The Indonesia Spice Trade Alliance Project (ISTA), funded by the U.S. Department of Agriculture, is a five-year program with the following objectives: 1) to increase productivity and efficiency in three Indonesian spice value chains (black pepper, cinnamon, and vanilla) through strengthening the capacities of farmers, cooperatives, and other private entities; and 2) to improve and expand the trade of black pepper, cinnamon, and vanilla products through improving crop quality to meet international standards; strengthening cooperatives; strengthening public-private partnerships; connecting farmers and cooperatives with Indonesian and U.S. international spice traders; improving environmental resiliency, Rainforest Alliance (RA) certification, and spice crop diversity; and linking recent university graduates to careers in extension services.

For this program, NCBA CLUSA has assembled a consortium of leading organizations in the spice sector: U.S. companies such as McCormick & Company, leading Indonesia agribusinesses, as well as local cooperatives and farmers. Implementing partners Rainforest Alliance and PT Collins Higgins Consulting will provide technical assistance.

This public-private partnership enhances compliance with international food safety regulations and quality standards to expand global trade in spices, and to meet growing demand worldwide, while improving spice farmers' climate resilience. The project mobilizes cost share contributions from McCormick & Company to reach spice farmers in the Jambi, N. Sumatra, Papua, Sulawesi, and Lampung regions of Indonesia. The project will target 14,000 farmers, six co-ops/associations and several spice processors.



Vanilla bean plant
growing in Indonesia.



Women inspecting and processing cinnamon at a local co-op in Indonesia



ISTA will support six farmer cooperatives/associations to improve their input production and distribution, procurement, record keeping and management functions. Working closely with each of these cooperatives/associations and local private firms, the project will increase access to improved inputs (improved seeds, seedlings, host and shade trees), deliver technical training and extension to farmers, and monitor, supervise and assist them with obtaining sustainable RA certification and good agricultural practices (GAP) for their farmers. As demonstrated under our USAID-funded Indonesia Sustainable Cooperative Agribusiness Alliance (SCAA), as farmer interest in quality production and management grows, so does their interest in increasing canopy, bush, vine, and forest growth. Productive spice farming will improve rural community livelihoods, reducing the economic incentive to engage in illegal logging. In this manner, the alliance will reduce land-based greenhouse gas (GHG) emissions and conserve biodiversity in partnership with the private sector, communities and the government.

NCBA CLUSA'S HISTORY IN INDONESIA

Since 1977, NCBA CLUSA has consistently worked in Indonesia longer than any other program country to provide income-generating activities and new employment for people at the grassroots level, including setting up several businesses:

- PT Sumatra Tropical Spices: the world's largest cinnamon buyer, processor, and exporter.
- PT AgriSpice Indonesia: Among the world's largest vanilla, clove, nutmeg, cinnamon, mace and black pepper processors and exporters. It is a strategic partner with McCormick SE Asia.
- UUG Toraja Coffee, PT Sumatra Specialty Coffees, Koperasi Baitul Qiradh Baburrayyan: specialty coffee cooperatives.
- KJUB PUSPETA Luwu: The largest Spice and Arabica Coffee exporter in Sulawesi.

Vanilla drying in bulk at a facility in Indonesia.



NCBA CLUSA was founded in 1916 and is the primary voice in the United States for people who use cooperatives to build a better world. We currently work in Africa, Asia and Latin America building resilient communities, creating economic opportunities and strengthening cooperatives and producer groups.

NCBA CLUSA

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