



PeaceTrees nemer

In creating Kirkland SignatureTM products, Costco buyers often play a direct role in how the items are made. For food items, this means working closely with growers, producers and other entities to ensure success for everybody. Here's the story of a unique case in Vietnam involving the production of Costco's Kirkland Signature ground pepper.

by Tim Talevich

CONTINUED ON PAGE 22



he road from Hue passes along Vietnam's coastal plain, past rice paddies and small lowland farms, through Dong Ha and Khe Sanh, then begins a long climb westward into the lush mountains along the Laotian border.

I am travelling today with buyers from Olam, a global food company, and Olde Thompson, a California company that manufactures Kirkland Signature™ spice products, to the Huong Hoa district. Here, a number of farming families have started planting pepper vines. Through a program supported by Costco and these suppliers, farmers in this district are hoping to become part of the thriving pepper supply chain in Vietnam, which is the world's largest producer of this everyday spice. Costco uses Vietnamese pepper for its Kirkland Signature pepper products.

The rich soil and seasonal rainfall here offer ideal conditions for pepper. Growing on flowering vines, pepper can be cultivated by small-scale farmers, and can bring in higher prices than rice and other crops. But first a life-threatening obstacle has to be overcome: After all these years, the land is still riddled with unexploded bombs, grenades, land mines and mortar shells from the Vietnam War.

The heaviest bombing of the war took place here in Quang Tri province, on the southern border of the demilitarized zone that separated South and North Vietnam. Since the war ended, thousands of people have been killed or injured by stepping on unexploded ordnance in the area.



That's where PeaceTrees Vietnam (PTVN) enters the picture. Founded in 1995, PTVN's mission is to help rebuild Quang Tri's communities by clearing the land; building schools, libraries and community centres; and providing expertise to farmers to grow profitable new crops (see "Building bridges" on opposite page).

PTVN started working with farmers in this area in 2015, explains Ha Pham, a Vietnamese woman who serves as PTVN's in-country director. In response to the growing global demand for pepper, PTVN offered to teach these farmers the best methods for planting and growing pepper vines. Also, farmers who sign up to participate in the pepper program have their plots cleared by a specially trained explosive ordnance disposal (EOD) squad managed by PTVN.

Costco's role is to help secure market access for the local farmers. To date, 60 farmers have joined the program. The first pepper crops were harvested in late 2018. The two annual yields have been modest, but it's a start, Pham says.





New schools are essential to healthy towns in Quang Tri province. But first, the land must be cleared of unexploded bombs.



Building bridges

PeaceTrees Vietnam (peacetreesvietnam.org) was founded in 1995 with a mission of building bridges of peace and friendship between America and Vietnam as the countries' relationship normalized after the Vietnam War. Over 25 years, the Seattle-based non-profit organization has financed programs to clear unexploded bombs, land mines and other ordnance from the land: teach local residents about the risks of mines; build schools and libraries to educate future generations; and support economic development for sustainable prosperity.

PTVN was started by Jerilyn Brusseau and her husband, Danaan Parry. Brusseau's brother, Daniel Cheney, was killed in the war when his helicopter was shot down while providing support for a downed fellow pilot (who was rescued). The organization was modelled on other international PeaceTrees programs that foster friendship between foes by planting trees in war-torn areas.

The group's first project was to sponsor clearance and plant trees on 16 acres in Quang Tri province. Today, the area is known as the Friendship Forest Park and features 2,000 trees planted by volunteers from around the world.—TT

Clearing the land

On our way to the pepper farms, we stop in a rural area where an EOD team is actively clearing a field. Working with bombing maps from the war provided by the U.S. government, PTVN has identified this area as still dangerous from cluster munitions—bombs containing smaller bomblets that disperse in a wide area. These bomblets had a notoriously high failure rate—possibly 30%—Pham explains. The maps were accurate: The team found 228 unexploded bombs in a 25-acre area.

Meticulously scanning the dirt step by step with metal detectors, the team is hurrying to finish the job within a twomonth window, as farmers will soon start planting cassava and peanuts here. We are informed that a small bomb was detected shortly before our visit.

The EOD team has cordoned off the area with yellow tape. We're shown a hole that has been carefully dug around an oblong metal object sunk into the earth, about a metre deep. Sandbags have been

stacked around the hole; smaller explosives have been set around the bomb to destroy it on-site.

A technician strings a detonator wire to our group, some 90 metres away, and nearby farmers are warned through a bullhorn to stay away. A countdown proceeds to zero, and I'm motioned to push the detonator button. A startling explosion shakes the earth and a white plume drifts above the area.

Since 1995, PTVN has removed more than 100,000 dangerous land mines, bombs, mortar shells and grenades from over 1,000 acres of land. Villagers have been able to move back into these areas and build homes and schools-and use the fields to farm again. However, it's estimated that only 20% of Quang Tri province has been cleared to date.

Offering a market, and more

Costco has been sourcing pepper from Vietnam for several years to meet growing global demand, says John Lee, a Costco

CONTINUED ON PAGE 24

Three years after planting, vines are producing pepper for Quang Tri's farmers. Costco and several partners are helping these farmers get their harvest to market.







COSTCO CONNECTION

You can find Kirkland Signature Whole Black Peppercorn (Item #164950), and a variety of other Kirkland Signature spices, in your local Costco and for home delivery through Costco Grocery at Costco.ca. spice buyer. Pepper grows in limited tropical regions. After the war ended, it slowly gained prominence as a viable crop for Vietnamese farmers, but most of the growth has been in the past decade as global demand has skyrocketed. While touring pepper farms, Lee learned about PTVN's efforts to expand pepper-growing farms to Quang Tri province.

Lee says Costco was interested in supporting the program, as were Olde Thompson and Sahale Snacks, which collaborated with Costco to donate a portion of product sales to PTVN. Later, Olam, which partners with Costco to source pepper in Vietnam, agreed to provide technical expertise to the new pepper farmers.

With this corporate support in hand, PTVN tapped the local Women's Union, an organization that supports women's rights in communities throughout Vietnam, to lead the project. Union members set up a demonstration pepper plot and served as the main contact for farmers on best growing practices.

Now, the PeaceTrees pepper is harvested and processed to go into the larger Vietnamese supply that makes up Costco's Kirkland Signature™ ground pepper.

"It's not a huge amount of pepper in comparison to the total amount we source in Vietnam, but it's a start," says Lee. "As the program becomes established, it's possible that more farmers will join in and make it a larger crop. And now, these farmers have access to Olam for ongoing agricultural assistance and to sell their pepper."

He adds, "Training isn't anything without market access. We gave them that."

Helping communities be successful

The story of Quang Tri pepper is representative of Costco's goal in sourcing food products, especially those offered under the Kirkland Signature brand. The goal, spelled out in Costco's Sustainability Commitment, is to support farmers and their communities so that they can be successful in the long run. The benefit to Costco is a sustainable source of food products in the face of growing global demand, says Sheri Flies, who oversees Costco's sustainability efforts.

In this case, many stakeholders took risks with unique contributions to make the program work. The pepper crops bring commerce to the villages, complementing PTVN's schools, community centres and mine-awareness education programs to rebuild Quang Tri's communities. "It's a matter of self-sufficiency, women's empowerment and market access," Flies says.

Pham agrees. "If we didn't have the participation of these companies, it wouldn't work," she says. "The only way to support people in the long term is to help them find work and provide for themselves. These partnerships introduce the opportunities for better incomes. This way, the communities will thrive over the long run."