

## Vietnam's Natural Rubber farmers benefit from a Smallholder Profit-Sharing Program

06 June 2023 | News

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As part of its commitment to smallholder rubber farmers in Vietnam and Thailand, Yulex is investing in smallholder rubber farmers by sharing premium profits back with the smallholders. U.S.-based Yulex LLC is a company with operations in the U.S. and Southeast Asia that creates Deforestation-Free supply chains for major US | EU consumer brands. With its proprietary technology and patents, Yulex is able to replace petroleum-based products with natural rubber products.

Globally, 85% of natural rubber is produced by small holders managing a 2-to-3-hectare farm where the annual income is less than \$3,000 per annum. With the limited earnings of smallholders, investing in essential training, resources, and certification programs to promote sustainable natural rubber production may not be feasible. Rubber production makes it difficult for smallholders to sustain their livelihoods without certification compliance pressure. By creating Equitable Ag, the initiative provides access to Equitable Agriculture to smallholders.

Dr. Liz Bui, Yulex's Chief Business Officer, stated, "Yulex wants to inspire consumers and brands to connect and contribute to smallholders via the Yulex Equitable Ag Program. We were the first company to introduce certified Deforestation-Free supply chains to consumer brands and now, with another first, we are working directly with PEFC and smallholders to solve social inequity issues in the supply chain."

*Yulex was the first to develop and introduce Forest Stewardship Council (FSC) certified supply chains for natural rubber to the sporting goods and apparel industries in partnership with Patagonia. Yulex has expanded its supply chain to include the Programme for Forest Certification Endorsement (PEFC). The Yulex and PEFC partnership in Southeast Asia helps create linkages among smallholder groups, private enterprises, traders, and rubber processors.*

By sharing profits directly with the smallholders and traders, Yulex will improve wages, support rural livelihoods, and contribute to the economic development of smallholders and their communities. In addition to Equitable Ag, the Company will work with smallholders to increase biodiversity and income on plantations through regenerative agriculture.

Richard Laity, PEFC Southeast Asia Manager, stated, *"Smallholder communities encounter significant challenges when establishing connections in the market. Yulex' dedication to aiding smallholders in Vietnam and Thailand will have a profound impact on the natural rubber community. Consumer brands in various industries will benefit tremendously from Yulex' program. PEFC urges others to join them in enhancing the natural rubber value chain to support smallholder rubber farmers."*