Strengthening food safety and quality compliance in select Sri Lankan spices

Despite their potential, Sri Lankan spices, particularly pepper, clove, and nutmeg (PCN), are still exported in negligible quantities. Smallholders are incapable to meet food safety international standards and unable to capture additional earnings due to quality differentiation, which are non-negotiable credence attributes. Improving supply-side factors can have a significant impact on the growth and trajectory of relevant industries and farmer communities. Hence, a felt need of the spice industry is the strengthening of SPS compliance and quality differentiation along the supply chain for better market access.

The purpose of this PPG is to formulate a project proposal to establish an ICT-based traceability system to strengthen food safety and quality-related (FSQ) compliance with international standards (e.g. Codex Alimentarius) and market requirements. Covering a select Sri Lankan spice supply chain, an ICT-based traceability system is expected to reinforce compliance with SPS requirements and technically capacitate downstream supply chain actors to harmonize their practices under a common framework, including the rules of production, control procedures, and cueing quality. The selection of the Sri Lankan spice will be based on preliminary value chain (VC) analyses of pepper, clove, and nutmeg conducted throughout the PPG, which will help to determine the relevance, opportunity, and feasibility of the selected spice concerning the potential for market development via export promotion.

**STDF/PPG/721**

**Status**
On-going

**Start Date**
01/12/2020

**Project Value (US$)**
$45,836

**STDF Contribution (US$)**
$45,836

**Beneficiaries**
Sri Lanka

**Implementing Entities**
United Nations Industrial Development Organization (UNIDO)

**Expected Results**

Effective implementation of the traceability system would increase transparency along each stage/node of the supply chain by verifying compliance with internal (product specifications) and external (market and regulatory) requirements. This would help Sri Lanka stallholders to gain and/or sustain market access, command a premium on products, stimulate investment in the industry, and generate socio-economic returns for integrated supply chain actors and their supported communities. International standards and best practices would diffuse from export to domestic supply chains, which share common food business operators at the production and processing levels. The impact on poverty alleviation and inclusive economic diversification would be acutely and imminently felt as large numbers of workers in the informal sector, particularly women and youth, could be absorbed into productive jobs in the formal sector (e.g. on-farm and value-addition activities). The resulting project would also generate positive spillovers from intersectoral linkages, such as in processed food & beverages, fisheries,
cosmetics, pharmaceuticals, and tourism, which would likewise stimulate employment.