



Yulex LLC announces a smallholder profit-sharing program for natural rubber

05 June 2023 | News

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Yulex is investing in smallholder rubber farmers in Vietnam and Thailand by sharing premium profits back with the smallholders. Yulex LLC is a U.S.-based company with operations in the U.S. and Southeast Asia that has created Deforestation-Free supply chains for leading US and EU brands in consumer products. Yulex has proprietary technology and patents directed to natural rubber products which are replacing equivalent petroleum-based products.

Globally, 85 per cent of natural rubber is produced by smallholders managing a 2-to-3-hectare farm where the annual income is less than \$3,000 per annum. With this income, it is unrealistic to expect the smallholder to invest monies in the education, materials, and certification programs necessary to expand sustainable natural rubber production when economic survivability is their basic need. Thus, the nature of rubber production makes it difficult for smallholders to sustain livelihoods even in the absence of certification compliance pressure and costs.

The Company 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 a partnership with Patagonia. Yulex has now expanded its supply chain to include the Programme for the Endorsement of Forest Certification (PEFC). Yulex partners with PEFC in Southeast Asia because of the high level of in-country support. Yulex and PEFC work in-country to help create linkages between smallholder groups, private enterprise forest management entities, traders, and rubber processors.

Yulex's response to understanding smallholder hardships is to create our Equitable Ag program. 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 our Equitable Ag program, the Company will collaborate with smallholders to increase biodiversity and income on plantations through regenerative agriculture programs.

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."

Richard Laity, PEFC Southeast Asia Manager, stated, "Smallholder communities encounter significant challenges when it comes to establishing connections in the market. Yulex's dedication to aiding smallholders in Vietnam and Thailand will

have a profound impact on the natural rubber community and consumer brands in various industries will benefit tremendously from Yulex's program. PEFC urges others to join them in enhancing the natural rubber value chain to provide support to smallholder rubber farmers."