Dynamics of Plantation Development in Africa

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Although 60% of potentially arable land in the world today is in Africa, several economic, technical and logistical constraints have hampered the realization of its agricultural potential. Agriculture development in Africa has the potential to increase revenues to US$880 billion by 2030 from the present level of US$280 billion, supporting a regional population that is projected to grow to 2.5 billion by 2050. Given the availability of suitable land, palm oil in particular could be a key contributor to agricultural revenues, satisfying growing regional demand and reducing dependence on edible oil imports.

Olam’s endeavour to develop RSPO certified plantations in Africa, signals a new milestone in the continent’s agricultural and social development trajectory. Palm plantation development will provide rural communities a rare opportunity, by fostering job creation and training for skilled as well as unskilled labour—Olam projects that at least 70% of the workforce will be employed from local communities nearby plantations in Gabon. However, sustainable plantation development in Africa will require investing significant resources and marshalling collective will to overcome challenges arising from social paradigms, land use systems, and balancing conservation of biodiversity with development. RSPO will provide an enabling framework for growers and other stakeholders in Africa, ensuring that the sector grows in a responsible manner. Olam has committed the time and resources to completing a robust due diligence process prior to establishing its plantations, including the development of comprehensive strategies to address social developmental needs and issues, hitherto overlooked, and environmental management plans recognizing the importance of critical ecosystem services and ecology of RTEs.

This presentation will outline the context of plantation development in Africa under voluntary sustainability frameworks, such as RSPO, and elaborate strategies implemented in the face of various challenges in the region. The role of social and environmental best practices in safe guarding Olam’s natural asset capital and ensuring social cohesion among the communities will also be discussed. Lastly, in light of recent attempts to highlight economic benefits of RSPO certification, Olam will demonstrate this rationale and advocate adherence with best practices in the region to ensure responsible palm oil production.