

## **Working together with smallholder to produce certified sustainable palm oil in Thailand**

Daniel May, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)  
Krabi, Thailand

Working together, to achieve more! Smallholders becoming agripreneurs and business men, mills and supply-chain actors which understand the need for joint cooperation, this is key for bringing (independent) smallholders to certification and creating win-win-win situations for all actors.

Certification will only be possible for smallholders through new cooperation models such as partnership farming. Fair and transparent benefit sharing is one of the keys to achieve this, as well as transparent communication and building up of trust among all partners.

By providing support towards the increase of yields, higher oil extraction rates, lowering production goes and taking all the action required towards certification the mills have high economic and social benefits. The 412 certified smallholders in Thailand, with a area of in total area of about 2.700ha and a production capacity of about 50.000t of FFB per year increased their income by approx. 1 Mio. EUR per year through higher yields. The higher OER of an average of about 10% translates in direct additional profit for the mill and the mills are getting higher reputation, better image among smallholders and communities, as well as very loyal groups of farmers.

Additional benefits from certification arise, however much lower than the benefits outlined above.

All these economic benefits are high enough to even contract and support development agencies, NGOs etc. in implementing such new schemes and missing out international donors funds. For companies it can be rather more attractive investing on their own but taking a lot of time to compete for limited amounts of donor money.