

## **Opportunities and challenges of RSPO oil palm development in Latin America**

Tulio Dias and Marcello Brito

Agropalma Group

Latin America produced 2,785,400 tons of CPO in 2011, what represented about 5.5 % of world production. LA has about 1 million ha of mature oil palm plantations spread in the following 12 countries: Costa Rica, Dominican Rep, Guatemala, Honduras, Mexico, Nicaragua, Panama, Brazil, Colombia, Ecuador, Peru and Venezuela (OilWorld, 2012). Among these countries just Brazil and Colombia have oil palm plantations certified under RSPO P&C. Between 2009 and 2011 mature palms area has increased approximately 11%.

Latin America has currently 33 members in RSPO, being 14 Oil Palm Growers, 12 Palm Oil Processors and Traders, 3 Consumer Goods Manufacturers and 4 Organizations. It is important to register that zero NGOs and just one certification body based in LA are members of RSPO. Also, there are just seven HCV assessor approved by RSPO to conduct the assessments required by New Planting Procedures. Besides the relatively low number of Latin American members, there are a big number of multinational companies that are RSPO members and operate consuming or trading palm oil in Latin America. Examples of such companies are Unilever, Nestlé, Ferrero, Cargill, ADM, Colgate-Palmolive, Carrefour, Walmart, etc.

Having 12 palm oil growers as members of RSPO is a guarantee that certified oil palm plantations in Latin America will increase in the next years. However the presence of multinational companies in the continent brings a strategic opportunity to even more growers join RSPO and get their plantations certified. According RSPO Code of Conduct all members that consume palm oil must seek CSPO, creating potential market LA growers. To convert this opportunity in reality support from NGOs and pressure from consumer companies are necessary.

The few numbers of HCV assessors and certification bodies approved by RSPO in Latin America are important challenges in development of certified oil palm plantations. Without an HCV assessor or a certification body, it is not possible execute the NPP, which interfere negatively in the certification processes. Lack of engagement from NGOs and differences in sourcing policy of multinational companies must also be eliminated in a way to accelerate the procurement for CSPO in Latin America.