

Sustainable Oil Palm Production: An Outgrower's Perspective

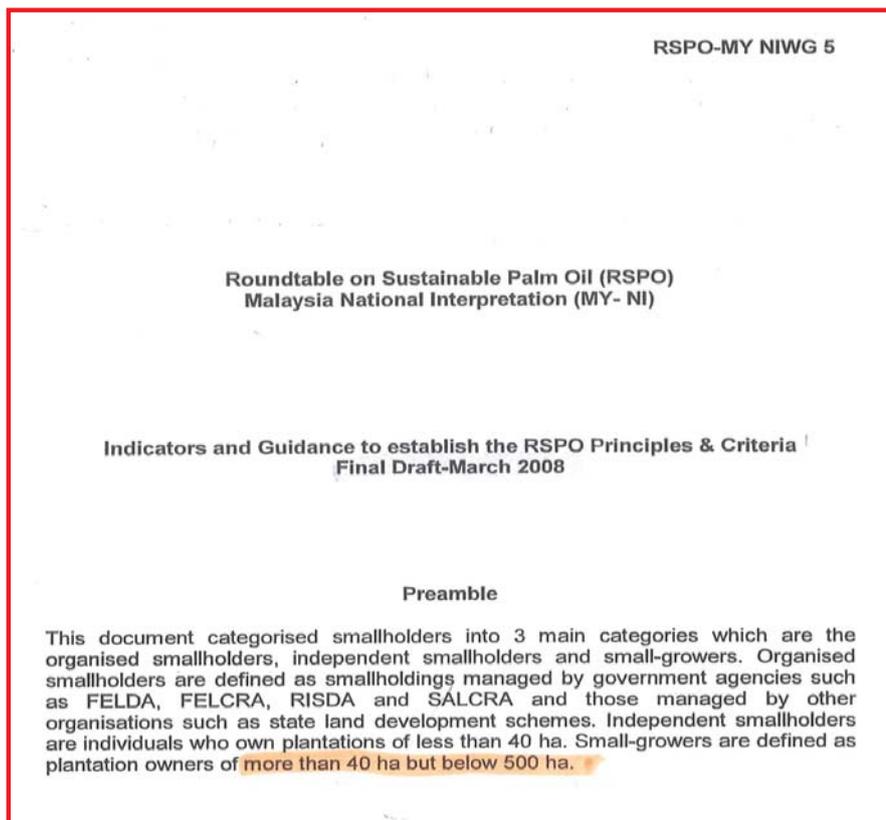
By Daniel Tan See San
Council Member of MEOA
stanway89@gmail.com

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 - b) Integrated mill
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Integrated Grower:
Grower operating a Mill
CPO

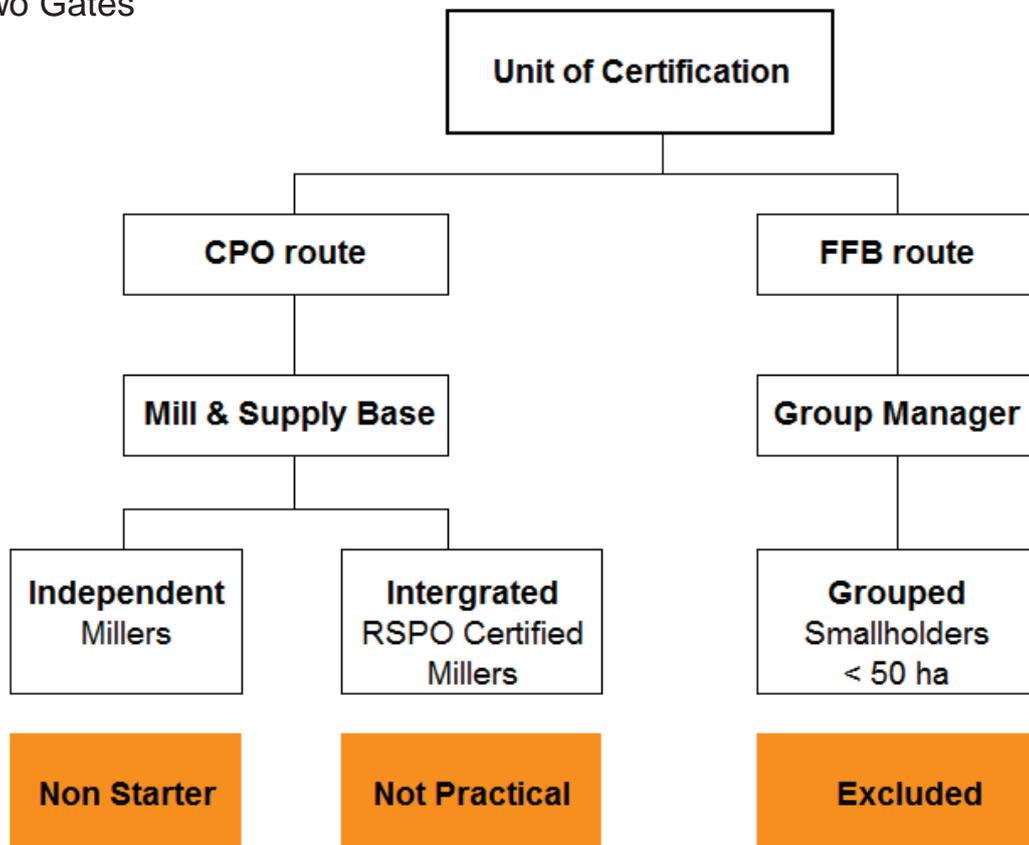
Outgrower:
Independent Grower without a mill.
FFB

2) My experiences with RSPO



What happened?

Two Gates



to address all of the requirements of the RSPO Criteria, including the legal, technical, environmental and social issues relating to a specific assessment:

- Field working experience in the palm oil sector, or demonstrable equivalent.
- Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use.
- Health and safety auditing on the farm and in processing facilities, for example OHSAS 18001 or Occupational, Health & Safety Assurance System.
- Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes.
- Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS).
- Fluency in the main languages relevant to the location where the specific assessment is taking place, including the languages of any potentially affected parties such as local communities.

4.2. Assessment process

4.2.1 The certification body must define the procedures relating to the assessment process. As a minimum, these must be consistent with the specifications defined in ISO 19011: 2002 Guidelines for quality and/or environmental management systems auditing.

4.2.2 The procedures must require that the initial certification assessments, and the subsequent monitoring or surveillance assessments, include an appropriate range of methods to collect objective evidence, including documentation review, field checks and interviews with external stakeholders (see section 4.3 below).

4.2.3 The unit of certification shall be the mill and its supply base:

- The unit of certification must include both directly managed land (or estates) and associated smallholders and outgrowers, where estates have been legally established with proportions of lands allocated to each.
- All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.

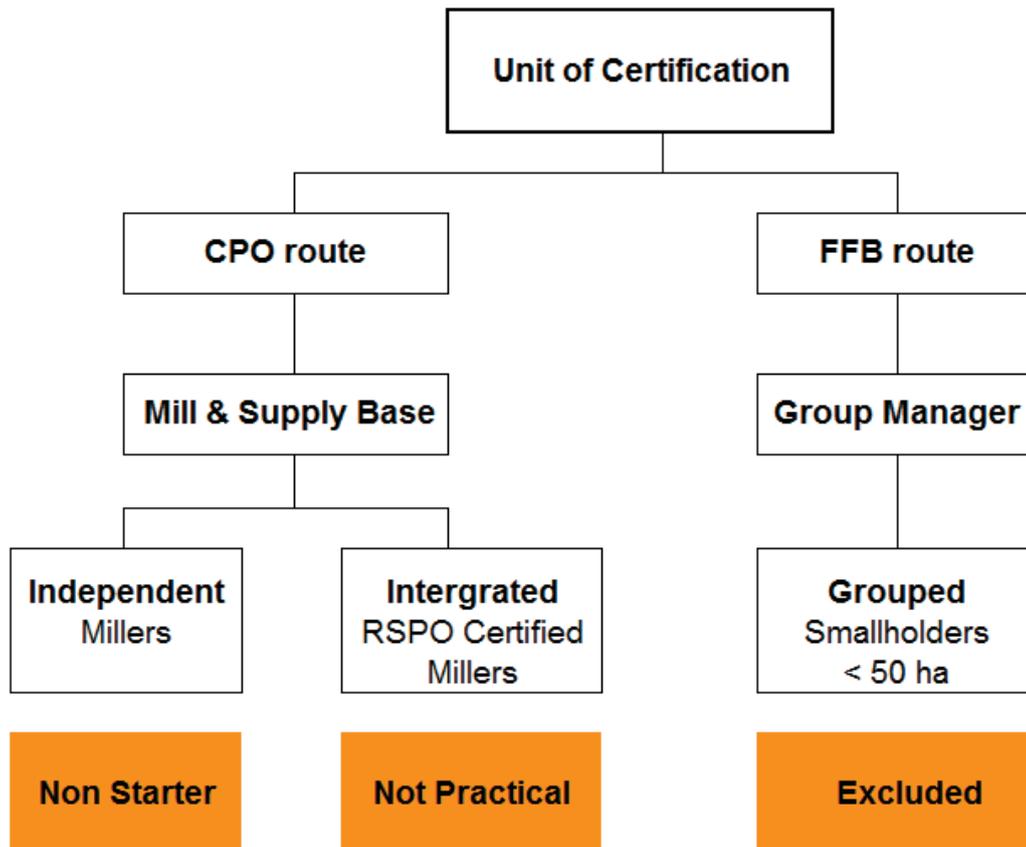
4.2.4 Organizations¹ that have a majority¹ holding in and / or management control of more

¹ For groups with complex management structures the following are required:

- (a) A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.
- (b) Ditto in respect of each of the operating groups.
- (c) Application for membership by the top asset owning company/companies.
- (d) Application for membership by the managing agency company/companies.

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2: REQUIREMENTS ON CERTIFYING GROUPS

2.1 Applicable Certification Standards

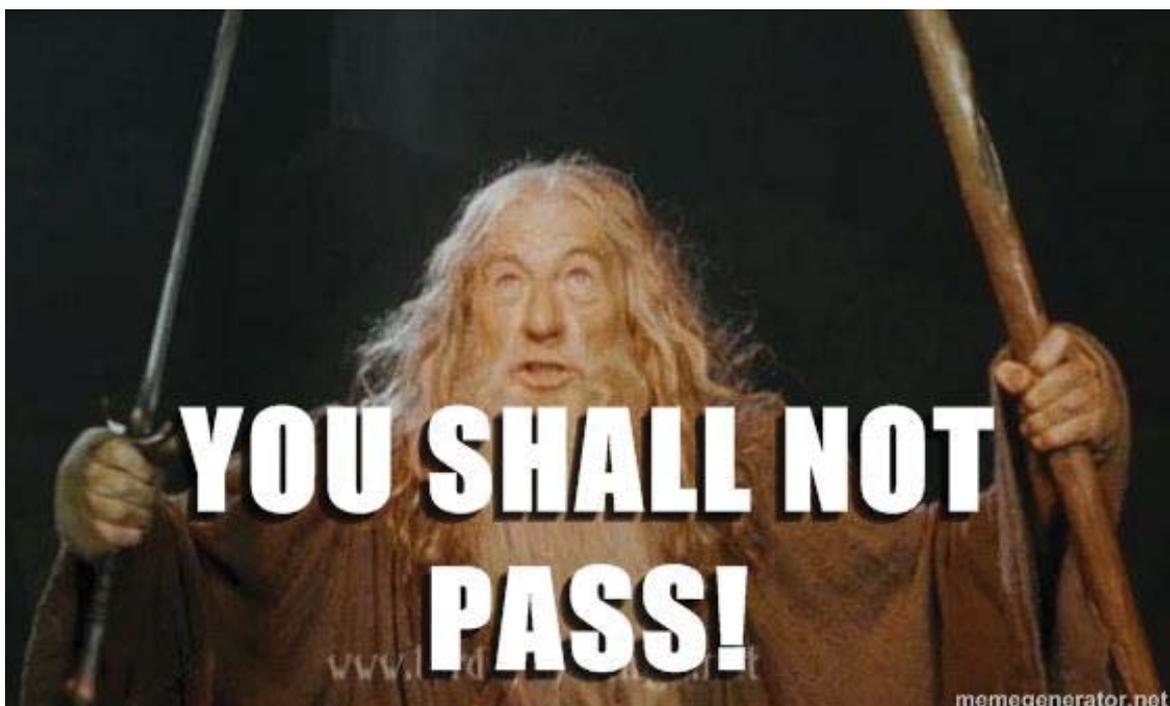
- 2.1.1 A sample of group members shall be assessed against the relevant RSPO Standard for Sustainable Oil Palm Production. The relevant standard shall apply as follows:
- 2.1.1.1 For those group members that are independent smallholders, the applicable standard shall be the RSPO Principles & Criteria for Independent Smallholders under Group Certification. All the criteria shall apply to the management of oil palm and the certified end product is FFB. Where mixed farming is practiced (i.e. where oil palm is grown together with other crops on the same piece of land or property), the contiguous area of farming shall also comply with the RSPO Principles and Criteria. The exception is where the different crops can clearly be segregated and delineated from oil palm, whereby areas that are *not* planted with oil palm do not need to comply with the RSPO Principles and Criteria.
 - 2.1.1.2 For those group members that are independent growers not classified as smallholders, the applicable standard shall be the grower specific criteria within the RSPO Generic Principles & Criteria⁴. [NB: As of June 2010, Group Certification under RSPO shall only cover independent smallholders. Larger independent oil palm growers (i.e. usually exceeding 50 ha, or as defined by national interpretations, and without an associated mill) may be included within Group Certification at a later time as decided by the RSPO]
 - 2.1.2 All the criteria shall apply to the management of oil palm and the certified product is FFB.
 - 2.1.3 Where National interpretations for either standard mentioned in 2.1.1 exist, these shall be used instead of the generic global standard.
 - 2.1.4 The RSPO Supply Chain Certification Systems [November 2009] shall apply to the trading of all RSPO certified products originating from a certified group.

Note 1. Note for consideration of the Executive Board: RSPO Supply Chain standards for FFB

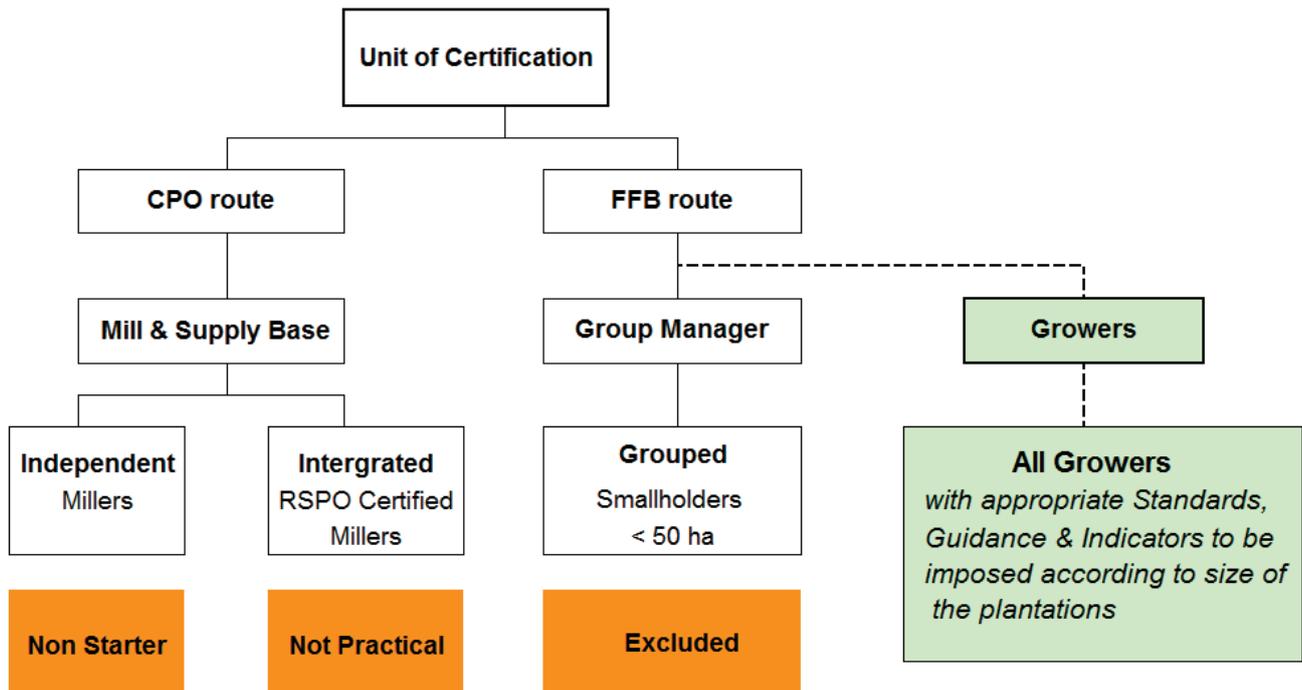
Currently the RSPO supply chain standards refer exclusively to the transport and trading of Crude Palm Oil (CPO), since they were designed to work with the model of certification for mills where the certified product would be CPO. However, the introduction of a Group Certification model, where the product of the group is likely to be FFB, requires the introduction of supply

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RSPO Certification



The proposed solution



FIRST INDEPENDENT SMALLHOLDERS IN THE WORLD TO BE RSPO CERTIFIED - Roundtable on Sustainabl.

RSPO An International Multi Stakeholder Organization and Certification Scheme for Sustainable Palm Oil

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FIRST INDEPENDENT SMALLHOLDERS IN THE WORLD TO BE RSPO CERTIFIED

Posted on 11 October 2012

Thailand is the first country in the world to have independent smallholders RSPO certified

October 11, 2012 – Thailand is the first country in the world to have independent smallholders as RSPO (Roundtable on Sustainable Palm Oil) Certified which comprises a community of 412 smallholders over 2,767.33 hectares of planted land. These independent smallholders will now have an opportunity to trade **approximately 52,000 mt of certified sustainable Fresh Fruit Bunches (FFB)**, generating an estimated 10,000 mt of certified sustainable palm oil (CSPO). Currently, the total annual production capacity of RSPO certified sustainable FFB is approximately 36 million metric tonnes globally.

The international multi stakeholder organization and certification scheme for sustainable palm oil, RSPO, has been collaborating closely with major producing countries around the world to build capacity amongst independent smallholders in the past few years. This was a pressing priority after the successful certification of schemes smallholders in Malaysia, Indonesia and Papua New Guinea.

Daniel Webber, Secretary General of RSPO commented that: "As the third largest producer of crude palm oil (CPO) in the world, over 70% of oil palm in Thailand is produced by independent smallholders. The primary challenges for smallholders to become certified include lack of awareness on benefits of being certified, funding support and lack of expertise or capacity building. To this end, the RSPO is committed to mobilizing strategic initiatives aimed at addressing these primary issues.

"Smallholders also need to be made aware of the advantages of being certified which includes access to international demand markets for sustainable palm oil, longer term efficiencies in terms of yield and productivity as well as effective cost management. A recent report by WWF in collaboration with CDC (a UK government-owned development finance institution) and FMO (the Netherlands Development Finance Company) http://www.rspo.org/en/business_cases clearly attests that the benefits of embracing sustainability outweigh the costs incurred which reinforces that responsible practices are not only good for the environment but is also commercially advantageous," Webber added.

Daniel May, Project Manager at GIZ, an organization funded by the German government to accelerate sustainable palm oil production amongst smallholders in Thailand, commented, "The German government, in particular German Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU) will continue to demonstrate support in enabling smallholders around the world towards sustainability according to international set standards. The certification of independent smallholders was coordinated by GIZ in the form of training modules on best management practices such as seed selection, fertilizer application, proper health, safety and environment practices. Thailand is certainly raising the bar in its commitment to sustainable palm oil"

The National Interpretation for Thailand for Smallholders developed by the Thai National Interpretation Working Group (Thai NI WG) has been approved by the RSPO. The Thai NI WG has worked since 2010 to develop the document involving 21 representatives from Academics, grower/ farmer representatives, refineries and biodiesel plants, palm oil crushing mills, NGOs, Government and Association. This now enables independent smallholders in Thailand to be audited and certified against the standard.

14% of world's palm oil production is now RSPO certified

The current estimated annual production capacity of RSPO-certified sustainable palm oil is 7.2 million metric tonnes, approximately 14 percent of global palm oil production. Spread over 1.6 million hectares of certified area - 45.5% of the world's current RSPO-certified sustainable palm oil production capacity comes from Indonesia; followed by 44.7% from Malaysia; with the remaining 9.8% from Papua New Guinea, Solomon Islands, Brazil, Colombia and Ivory Coast.

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CPO or FFB???
Irrelevant to me!!!



SUPPORTING SUSTAINABILITY

‘Mr Gorbachev, tear down this wall!’

