

Successful Certification of Independent Smallholders – Lessons Learnt in Thailand

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RSPO clearly stated during RT8 that it is for smallholders, as well. There have been major steps forward towards smallholders support in the last years, but still many questions remain open. Most important of those questions: How to convince smallholders to get certified and how to support them to achieve certification? A good show case to answer such questions is Thailand. Its oil palm production is dominated by smallholders who manage more than 70% of the cultivated area.

The Project on *Sustainable Palm Oil Production in Thailand* – funded by the German Ministry of Environment and implemented by GIZ – developed an innovative approach to enable the certification of groups of independent smallholders. As price premium remains unclear for the future the project supports very much in quality increase, increased productivity and reducing production costs, however aiming for and including all the time RSPO certification.

Throughout the project period of 2 years smallholder groups received continuous extension support on farm management, fertilizer application, occupational health and safety or issues such as environmental management to finally comply with RSPO regulation. From the beginning, the project fostered a stable relationship between oil palm mills and independent smallholders so that both parties provide benefits to each other. Results are showing that this partnership farming approach can deliver benefits to both sides.

Mills benefit from better quality and a more stable supply, while farmers receive higher prices for high quality FFB and besides benefit from incentives such as cheaper fertilizer, technical advice and preferential treatment for delivering FFB.

To capture the potential for both sides, strong support from external sources was necessary. It was also critical to have the project as a neutral player and mediator between the different parties to build up trust and ensure transparency. Without external support and the strong commitment of the palm oil industry and the smallholders themselves, the smallholders in Thailand would face a hard time when certification is required from downstream processors.

In Thailand most likely in the beginning of 2012 the first independent smallholders will be certified at a global scale. Thailand therefore will present lessons learnt from this success case.