OVERCOMING THE CHALLENGES WITH CONSTRUCTIVE SOLUTIONS

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The Motivation

- About 40% of oil palm plantations in Indonesia are under smallholders. In some regions, this could be as much as 90%.
- Currently only about 70,000 ha of smallholder plantations are RSPO certified.
- How to avoid smallholders being unfairly excluded from the emerging market of RSPO-certified palm oil.
- How sustainable palm oil production can improve productivity and welfare of smallholders.
The Challenges with Smallholder Certification

- Organizational issues
- Changes towards Good Agricultural Practices (GAP), including improved access to inputs and credits
- Cost of RSPO certification
- Requirement of certification (e.g., HCV/SEIA)
- Market/Demand for Certified FFB
- Premium for Certified FFB
Constructive Solutions

- A need for technical, financial and organisational assistance for smallholders to get certified
- Partnership with the mills and players in the supply chain and intermediaries to address the need and stimulate demand for Certified FFB
“If everyone is moving forward together, then success takes care of itself”
(Henry Ford)
Proposed Constructive Solutions

AGREEMENT ON THE PRODUCTION OF SUSTAINABLE PALM OIL
Smallholders and Group Manager

SUPPORTING ACTORS
- Palm oil mills
- Buyers (Processors, CGM, Retailers)
- NGOs
- Funding organisation
- Research Institutes
- Government
- Banks

MONITORING COMMITTEE
Internal Control System (Group Manager)

CERTIFICATION BODIES (CBs)
Audit/Verify compliance to P&C

PROJECT on SUSTAINABLE PALM OIL PRODUCTION BY GROUP OF SMALLHOLDERS RSPO P&C Implementation

Certified FFB

- Improved Productivity
- Better price and/or cost saving
- Better quality (OER, FFA)
- Access to inputs and credits
Thank You!

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