“Multi Stakeholder Initiatives in Tropical Crops – A Journey”

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21st November 2011
Outline of Presentation

• Some elements of some Multi Stakeholder Initiatives (= MSI)
• Some characteristics for MSI success
• Potential future developments
Multi Stakeholder Initiatives (MSIs) to be covered:

- Better Cotton Initiative (BCI)
- Better Sugar Initiative (BONSUCRO)
- Roundtable on Responsible Soy (RTRS)
- Roundtable on Sustainable Palm Oil (RSPO)
Range of Issues that could/should be covered by Roundtables

- Resource Usage: Water, Pesticides,
- Use of Forest Reserves for Agriculture
- Loss of Biodiversity
- Generation of Greenhouse Gas in Production Process
- Land Tenure, Customary Land Rights
- Improved Productivity
- Market Transformation
- Supply Chain Efficiencies
- Labour/Decent Work Agenda
- Other Social & Environmental Impacts
- Etc, etc
Outline of Presentation

- Some key factors of other MSIs
- Some characteristics for success
- Potential future developments
Mission Statements of MSIs

- BCI: Better Cotton is Better
- BONSUCO: Transform the Sugar Cane Industry
- RTRS: Promoting Responsible Soy Production and Trade
- RSPO: Transforming the Market Together
Better Cotton Initiative (BCI)

- Start date
- Member number (pending)
- Membership fee – proponent pays for 3y
- P + C agreed
- Certification underway
- Certification Unit
- Fee to MSI from trade
- Potential Certified tonnage of lint
- Global tonnage/%certified

"Aims to improve mainstream (v niche) production practices for smallholders; is not about a premium price"

- 2005
- 60 (0)
- High
- Yes
- No
- None
- Not yet
- 250,000
- N A
Better Sugarcane Initiative (Bonsucro)

- Start date: 2003
- Member number (pending): 36 (0)
- Membership fee: $14,000
- P + C agreed: Yes
- Certification underway: Yes
- Certification unit: Mill
- Fee to MSI from mill /end user for logo: $0.07/T each
- Tonnage certified: +130,000T
- Global cane production/%certified: 120mT/1%
- "End users now making commitment to buy certified, sustainable sugar"
## Round Table on Responsible Soy

- **Start date**: 2006
- **Member number (pending)**: 150(6)
- **Membership fee**: $2,500
- **P + C agreed**: Yes
- **Certification -- field testing underway**: Yes
- **Certification Unit**: Mill
- **Fee to MSI from trade**: No
- **Tonnage Certified**: x
- **Global production/%certified**: x

- "$Dutch buyers want 1.8mT sustainable soy by 2015"
Roundtable on Sustainable Palm Oil (RSPO)

- Start date: 2003
- Member number (pending): 723 (7)
- Membership fee: €2000
- P+C agreed (in 2008): Yes
- Certification underway: Yes
- Certification unit: Mill
- Fee to MSI from trade in CSPO: $1/T
- Tonnage Certified: 5.2mT
- Global Production/%certified: 46mT/11
- Registered trade mark now in use: Yes
Outline of Presentation

• Some key factors of other MSIs
• **Some characteristics for success**
• Potential future developments
Some Characteristics of Success for MSIs

- Business to business initiatives can make rapid progress (e.g., RSPO).
- Government engagement adds complexity – but maybe necessary or even essential (e.g., BCI).
- Essential to involve all steps in supply chain.
- Uniform, low annual membership fee probably helpful for broad level of engagement.
Some Characteristics of Success for MSIs -2

- Minimize complexity for successful uptake of certified product
- Correct selection of unit of certification necessary
- Some revenue to Roundtable from trade in sustainable product necessary for long term viability
Some Characteristics of Success for MSIs -3

- Adherence to approved P and C (criteria) expected to give cost savings to producers; evidence being collected.
- Operators should not assume receipt of price premium.
- When market transformed, sustainable produce will become norm and likely to have no price premium.
- No clear answers – this is a journey.
Outline of Presentation

• Some key factors of other MSIs
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Potential Future Developments

1. Does cost of compliance outweigh cost savings in implementation
2. Can approach work with crops with high % of smallholder production
3. Need to increase uptake of certified produce
4. RSPO remains only supply chain model that is self financing
1. Cost of Compliance to RSPO P&C

- Does cost of compliance to RSPO P&C outweigh cost savings after implementation?
- Is cost of compliance USD 2.00 or USD 7.00 (or more?) per tonne in first year? Does certification deliver business benefit in excess of this cost?
- Action: RSPO should research and publish a variety of Case Studies from a number of geographies -- to include benefits from adherence to Decent Work agenda
2. Crops with a High Percentage of Smallholders

- Some crops are nearly all produced by smallholders (i.e., cocoa, cotton, coffee)
- Progress with these likely to involve Government engagement
- Such a need is likely to make slower progress and increase complexity of efforts
2. Roundtable on Sustainable Cocoa Economy (RSCE)

- 95% of global cocoa production by smallholders (less than 5 ha cocoa)
- Engagement with producer Governments therefore essential
- During 2nd RSCE meeting, producer Governments declined to proceed
- No progress since February 2009
3. Need to increase uptake of certified products (RSPO)

- Use all means possible
- Exercise caution to ensure self financing nature of RSPO supply chain model is not lost
- RSPO to engage regularly with other MSI processes
Thank you for your kind attention

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