

OFFICIAL OPENING CEREMONY OF RT9

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SPEECH TEXT BY:

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Yang Berhormat Tan Sri Bernard Dompok, Minister of Plantation Industries & Commodities of Malaysia.

Your Excellencies

Sir Jonathon Porritt

Distinguished guest

Members of the Media

Ladies & Gentlemen

A good morning to you all, and welcome to Sabah, welcome to Kota Kinabalu.

This morning, I would like to take the opportunity to talk with you about brands. As you know, I work for Unilever. Unilever is a branded consumer goods company which manages about 400 brands worldwide.

Don't be alarmed- I'm not going to list them all. But I know some of them are familiar to you all. Every day, about two billion consumers around the globe use a Unilever brand. So we put a lot of time and effort into the quality of our brands and the quality of our products. All this is just an introduction to say: I come from a background where we know something about brands.

The RSPO is becoming a brand in its own right. Over five million tons of production capacity has been certified since certification of production of palm oil against the RSPO Principles & Criteria started in 2008,

That is over five million tons of crude palm oil and over one million tons of palm kernel oil.

This deserves praise. Praise to all those producers who have gone through the effort of adapting their management systems and practices to get certified. And praise to all of those who are still in the process of changing their practices.

Certified raw material is finding its way to the market in a number of different ways.

- Some of the oil is sold unbranded, undifferentiated, where the miller has opted to sell Greenpalm certificates. Over two million Greenpalm certificates have been sold- that's a real success.
- Some oil is sold through supply chain models which allow for branding of the oil. One option is Mass Balance, which allows for some mixing with uncertified oil. And the other one is segregated, keeping certified oil segregated from non-certified oil.

Now let's talk about the value of brands. Brands embody a set of values and promises. When you buy your favourite brand of kitchen cleaner, for example, you know it will do the job well. You trust the brand. You buy it over and over again.

Brands help you convey a message without having to list all the benefits. That's why brands make communication easier. More effective. Simple.

The message RSPO wants to communicate is: "RSPO certified palm oil has been produced in a sustainable way". And this means that RSPO certified palm oil comes with a number of assurances:

- That good agronomic practices have been applied;
- That biodiversity is protected;
- That no High Conservation Value areas have been converted;
- That Free, Prior and Informed Consent has been deployed to reach agreement with local communities;
- That proper working conditions are guaranteed;
- And so on...

RSPO have created and registered the RSPO Trademark. This helps users of certified palm oil to communicate all the benefits to their customers and consumers. This is because the market is beginning to understand the benefits- the assurances- that the RSPO trademark- the brand- communicates.

But—and I know this is an issue that is heavily on your minds—not all RSPO – certified palm oil is being sold as certified. The value of the brand is not being used.

Why is that?

Let me offer two possibilities.

The first possibility is that palm oil users are dragging their feet for no good reason. RSPO members have all signed up to the Code of Conduct, which means they have all committed to "production, procurement and use of sustainable palm oil". Many of them have been committed publicly to a target date in the not too distant future: 2015, 2016. Too many of them apparently wait until the last moment to translate that commitment into a demand in the market. They have not started to buy certified palm oil.

My warning to them is this. If suppliers do not see a growth in demand, they will not increase supply. That is how markets work. So if all users of palm oil wait until 2015 to start buying CSPO, there will be not be enough CSPO available in 2015. Waiting to start buying certified palm oil sends the wrong signal.

Here is a second possibility.

The RSPO brand is not strong enough – it fails to convey the necessary assurances to the market. It is like a cleaner that fails to clean.

This apparent lack of credibility cannot be assigned to a lack of cooperation and update by growers - nor a lack of rigour in the standard setting process. This is all well documented.

There is however a growing list of grievance cases, where RSPO members are being challenged- or even accused – of not adhering to the RSPO P&C. And although the RSPO Grievance Panel is doing excellent work in this area, it takes a long time for individual cases to be resolved. And new cases are still being added to the list.

The reality is probably a combination of the two possibilities I have outlined. Both possibilities undermine the credibility of the brand. The first one, because it suggests that RSPO's own members do not put their trust in the RSPO brand. The second one, because some RSPO members are failing to provide the kind of assurance the RSPO brand promises.

If the General Assembly agrees later this week, the RSPO's new vision will be: "RSPO will transform the market to make sustainable palm oil the norm".

In order to realize that vision, all RSPO members will have to weigh in. Along the palm oil value chain, all stakeholders have to actively and visibly participate in that transformation.

An old African saying goes like this:

'If you want to go quickly, you walk fast and you walk alone. But if you want to go far, you walk with others.'

RSPO wants to go far.

Ladies and gentlemen, I thank you for coming and I wish a very successful conference. And walking with others, to a brighter future.

