

RSPO and the Major Producers of Palm Oil



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Summary

One of the major challenges that the RSPO faces is to involve the small producers which are at the heart of its work. Small producers represent 50% of the production of palm oil in Malaysia and Indonesia, the industry's world leaders.

2007 was a significant year, because Indonesia overtook Malaysia as the world leader in palm oil by a factor of 2 million tones. While the traditional leader produced 16 millions, this new leader in the list produced 18 million tones, followed by Nigeria, Colombia, the Ivory Coast, Thailand, Papua New Guinea, Ecuador, Costa Rica, Honduras, Brazil, Venezuela, Guatemala and others.

For the RSPO, such an event is irrelevant in terms of certification, because it is as important that the more productive nations are certified as that the least productive become certified.

If these countries are looked at from the point of view of their exports, Malaysia maintains its position in first place. This is because the Indonesians consume a vast quantity of their tones of palm oil locally. It has been argued that the RSPO should not become involved in terms of consumption, because this will be led by the market; this specific situation will have to be resolved later on.



One of the tasks ahead is to involve small producers in the RSPO, for which they are very important. In fact, roughly 50% of Malaysia and Indonesia's production is in the hands of individuals who own small plantations or who work in a big company.

Currently, in the RSPO small-scale growers do not belong to one round table, but rather to several, in which different actors participate; for example, the government participates more in the part concerning production, but in reality there are several actors which find themselves making efforts to attract small producers to the RSPO.

The approach used is summarized in Table 2 below. There is a task force of small-scale growers that is attempting to develop standards and generic rules that will be adapted to the different regions and continents, and which could be applied in the future to countries in Latin America and Africa. This is a hugely important task. It is worth noting the fact that a palm oil plant in Thailand asked me how they would be able to seek certification with the RSPO, given that 80% of their cultivation comes from small-scale growers, or whether it would be a question of merely being able to certify 20% of their overall production. It has to be remembered that there are standards and mechanisms

to involve both small-scale growers and the production plants to the benefits of the RSPO.

The organization Solidarity, from Holland, has ample experience in supporting the production of small-scale growers and is helping RSPO in two areas: the development of production protocols, which will be carried out with the certification bodies, and support for the certification of small-scale growers. The Secretariat of the RSPO will organize evaluations of these efforts with the certification bodies.

This is at the macro-level; at the national level, there are working groups for small-scale growers in Indonesia, Malaysia and Papua New Guinea, in which awareness-raising campaigns are being carried out, analysis of the gaps between the Principles and Criteria of the RSPO and what actually happens in the small plantations; and the guides and national indicators are being revised. The National Interpretation guide for small-scale palm growers is also being revised, and the findings will be made public subsequently. The groups involved are working simultaneously on this and on the standards. In Malaysia and Indonesia, there have been at least three workshops on the subject, attended by between 400 and 600 small producers.

Table 1. 2007. Distribution of production by type of producer

Production unit	Malasia (ha)	%	Indonesia (ha)	%
Small producers	454.896	11	2.565.135	39
Government plantations	1.234.184	30	687.847	10
Private plantations	2.476.135	59	3.358.632	51
Total	4.165.217	100	6.611.614	100

Table 2. RSPO Strategy to attract small producers

Task force of small producers	Workgroups for small producers (Indonesia, Malaysia, Papua Nueva Guinea)
Development of standards	Campaigns and awareness-raising workshops
Pilot projects (principles and generic criteria)	Analysis of gaps
Holland, Solidarity	Indicators and national guides
Group development	Public meetings
Protocol Certification	
Support for the certification of small producers	
RSPO Secretariat	
Public meetings	

The Prime Minister of Malaysia, during a speech on the country's 2009 budget, announced that there would be 50 million ringgit (RM50), equivalent to 16 million dollars, to evaluate the groups of small palm oil producers and plantation companies which meet with the requirements of the RSPO.

The RT6

I can not miss the opportunity that this encounter presents me with to invite you to the sixth meeting of the RSPO, which will occur on 17 November 2009 in Bali.

It is a tradition in the RSPO that just before the conference there be a day which we call the Pre-Congress Day. There will be a meeting of the task force of the small-scale growers, and other meetings on the high value conservation areas, the Biodiversity Technical Committee and the Executive Committee. On the first day, Indonesia's Minister of Agriculture will begin the event and will present his country's obligations to the RSPO, whilst at the same time illustrating the example of the David Plantation company, which in November will obtain at least ten certified plants, and on the experience of the certifying agencies.

In the afternoon, we will look at the short term challenges, a session to be led by the developments in palm oil in Indonesia and the RSPO. The Director General of the Crop Plantation of Indonesia will speak; we are trying to obtain a combination of the government and private sector of Malaysia, so as that both speak with

one voice. I am still awaiting the response, but the idea is to have a presentation with both of these sectors.

We also have the RSPO from the rest of the world; from South America, represented by Jens Mesa, the Executive President of Fedepalma, and a conference by WWF on the production of palm oil in degraded areas.

There will also be a speaker from Europe and we are awaiting the response from a speaker from China, the second largest market for palm oil. There will also be a speaker from India, from Nadir Godrej International, which is one of the most important palm oil importers in the country. In this way, it will not only be producing countries who speak at the conference about the future, but the consuming nations will also speak.

On the third day there will be a full session on the production of the small-scale growers, the challenges in Indonesia and Malaysia, and the issues of support for palm oil producers and certification schemes for small producers will be addressed.

An important subject to be addressed will be the challenges of the chain of suppliers, including the green palm scheme.

Of course, one cannot leave to one side the issue of sustainability, but this will be addressed in a more general manner. We want to see what are the big initiatives which are being carried out in this respect, as well as the Roundtable on Biofuels, and the biodiversity programs, agricultural policies, etc.