SMALLHOLDER CERTIFICATION

Preparedness, Pitfalls, Prices and Pay-offs

(15m)
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Kampung Toniting, Beluran, Sabah

The women of Kampung Toniting, Beluran Sabah

RSPO Certified Sept 2013
Getting Started

- Why its difficult for small producers
Resistance to Change

• Most are older farmers (young labour force is absent)
• Set in their ways
• Change is always an issue….particularly if alternate paths are not seen as easily ‘adaptable’.
Perception of Burden

- tedious..?
- heavy on documentation..?
- time consuming..?
- financial burden..?
- fear of losing..?

....The motivation is lacking
Unclear benefits to the Producer

• Focus is on certification
• Focus is on achieving national/company targets but lack in highlighting pertinent benefits to farmers.
• They feel forced to adopt this.

Incentives??
Productivity?
Safe environment??
Strengthen market access relationships?
Community values??
Security in supply?
Challenges
-Faced by small producers
Unclear How to Start

- Standards & supporting annexes are numerous and complex documents
- Process is tedious
- Very little ‘practical’ guidance
- Physical support largely absent
Lack of Group Cooperation/Management

- Farmers are independent
- Concept of cooperative farming...i.e: economies of scale, reduction in cost, sharing best practices...is largely absent.
Our Experience

-Overcoming challenges
Can Small Producers Be Certified Sustainable?
Model for Sustainability

Commitments to Sustainability

- Group Management
- Source of Origin
- Continual Improvement
- Monitoring

Traceability

- Basic Verification
  - Producer Identity
  - Farm Identity
  - Legal requirements
  - Traceability requirements

Members free to sell to anyone but have a unique identity

Producers able to meet basic traceability requirement for Brands and Global Standards

Global Standards

Global Brands

certifying Malaysian palm oil for the world
Work within Existing Clusters

Establishing Cooperation

- Agree to work together
- Adapt “Model for Sustainability”
- Privacy and Confidentiality
- Use simplified Tools and Approaches
- Local Technical Support

Strategic Focus
Palm Oil Mill
And their Supply Base
Estates to Small Producers

Associations
Collection Center
Village
Contractor
Establishing Basic Requirements for Producers

Producers are able to demonstrate origins of product, products that are legal, free of conflict and is driven by continual improvements.

**Code of Conduct**

**Global Commitments**
- Legal
- No Fire
- Rights to Land
- No Forced Labor
- No Peat, HCV or HCS

**Quality**
- Maintain Records
- Learn by Doing
- Continual Improvements
Examples

#1: Group management
Establishing a local technical support team that provides advisory to a farmer-level producer group committee.

#2: Guided discussions
Deriving solutions through participatory discussions. In a neutral setting ... extended to farmers and their workers.

#3: Applying best practices
Planting beneficial plants to help in reducing chemical use/ saving cost
Examples_ Best Practices

Positive Environmental Trends

- **Spraying** – Shift from blanket spraying to circle spraying observed
- **Use of chemicals** – use of grass-cutters over herbicides observed
- **Erosion** – Increase in frond stacking & growth of ground cover on steep slopes
- **Riparian buffers** – Reduction in spraying in riparian areas
- **Burning** – Awareness on zero burning
- **Forest Reserves** – Farmers bordering forested areas better understand the importance of protecting such areas

Positive Social Trends

- **Local participation** – Wild Asia staff largely recruited locally
- **Documentation** – Improved documentation resulting in increased awareness on income & production
- **Strong community relationships** – Approach field teams on any matters oil palm related & collective voice raise issues at quarterly meetings
- **Community visibility** – Increase in opportunities for communities to share their stories & experiences with the public
Our Vision
Why is this working?

Leverage on existing relationships
• Aim is to form a Group Management structure that can self-sustain.

Keep it Simple
• Use a stepwise approach.
• Focus on key areas of improvements. Make it practical.

Establish Trust
• On-going technical support to ensure change becomes the norm

Reward system
• Ensure benefits/ incentives get to producers (monetary or otherwise)
A unified approach towards sustainability will pave the way for small producers to be certified under multiple sustainability standards simultaneously.
Questions?
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