

Linking Smallholders to Commodity Markets

- Role of Certification & Standard -

Martina Fleckenstein

WWF Germany

GTZ - The Future of Agriculture

25./26. August 2010



Growing Demand on Agriculture Commodities

- Unsustainable northern consumption pattern
- Competition between food, fibre and fuel
- Production not sustainable

Challenges:

- Sustainable production
 - For all agriculture commodities
 - Integration of smallholder
- Increasing productivity through agroecological and low-external input approaches



What defines a credible, sustainable Certification scheme

- Focus on key impacts (social, economic and ecologic)
- Performance-based and address the entire supply chain (GHG)
- Multi-stakeholder and transparent (Industries to Smallholders)
- Consensus oriented
- Compliant with law
- Based on sound science
- Globally applicable and adaptable to local/regional needs







Certification Schemes and Standards



Round Table on Sustainable Palm Oil (RSPO)



Round Table on Responsible Soy (RTRS)



Better Sugar Initiative (BSI)



Certification Scheme for Biomass and Bioenergy (ISCC)



Roundtable on Sustainable Biofuel (RSB)



Organic certification schemes and food quality



Sustainable Production and Certification

Certification an instrument

- for poverty reduction?
- for market access?
- for smallholder to participate in high value supply chain?



Environmental Criteria Challenges for Smallholders

- Waste management
- Use of Pestizide
- Protection of Biodiversity
- Soil protection
- Water consumption
- Conversion of carbon stock
-



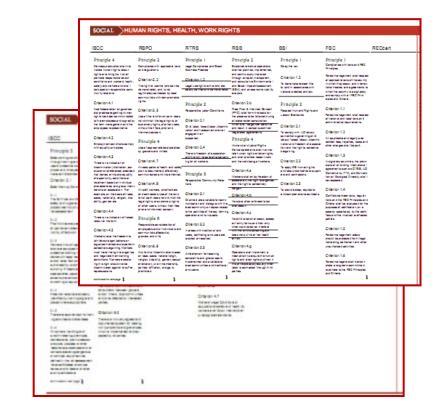






Social Criteria and Requirements in Certification Schemes

- Definition of Labor/working conditions and human rights
- No violation of land rights
- No discrimination
- Living wage adequate for a decent living
- Right to form and join trade unions/labor organizations
- Health and safety plan implemented (plant protection product handling)
- Smallholders treated fairly by mills, education for children
- Training for workers......



Source; WWF: August 2010



RSPO and Smallholders

- Integration of Smallholders in RSPO Certification:
 - National Interpretation of RSPO
 Principles & Criteria for Sustainable Palm
 Oil Production For Scheme Smallholders
 - Republic of Indonesia, May 2009.
 - RSPO Principles and Criteria for Sustainable Palm Oil Production: Guidance on Scheme Smallholders, July 2009
 - RSPO Standard for Group Certification (relevant for cooperatives, 2009
 - First Certification of a smallholder body in August 2010









Smallholder Training in Sumatra

- 3 day training on ecological issues
- Target group: cooperatives in Sumatra
- Group certification

But only a small number of smallholder





POPSI – Palmoil Support Producer Initiative

Example: POPSI in Papua New Guinea





Solidaridad

RSPO

Roundtable on Sustainable Palm Oil

New Britain Palm Oil Limited...

Over 7000 smallholders produce fruit for New Britain Palm Oil Limited (NBPOL) in West New Britain. Whilst they are not tied to the company, they are geographically constrained to sell their fruit to the company. New Britain Palm Oil achieved RSPO certified status in 2008, it is the commitment of the company to help smallholders to comply with RSPO.



Since initial smallholder awareness of compliance levels was been completed through a questainaire survey, more work is needed to strenthen smallholders in these areas. NBPOL however, is not keen to undertake this work on its own, and has made partnerships to take on this challenge. NBPOL is undertaking to facilitate a capacity building programme to strenthen existing government extension service rather than replicating it.

Partners on our Journey Sustainable Smallholders

Our Partnership and the Program...

NBPOL and OPIC, with the support of Solidaridad have formed a partnership to enhance OPICs capacity in increasing RSPO awareness and implementation at the smallholder level.



Initial training was conducted with OPIC Hoskins Project Officers early in 2009 which has laid the ground work to carryout the current training.

Whilst the officers are aware of the RSPO Principles and Criteria, they tack the understanding of how to integrate the RSPO P&C with their work and demonstrate to smallholders how to achieve compiliance.

The hands-on approach coupled together with several classroom session was seen as the best approach to ensuring maximum intake of information for our trainees in identifying areas of improvement.

Setting up the baseline ...

over three days through the three development phases of new, replants and existing plantings.

The classroom...

Initiated with the facilitation of a "Café Kibung" by NBPOL classroom approach training and awareness on RSPO and related issues constitutes the major element of the program.



This would involve lectures and presentations from various professionals in the fields of Blodiversity. High conservation values (HCV), Intergrated Pest management (IPM), OHS & Environmental responsibility, FPIC, HIV&AIDS and plantation upkee to name a few.

Expected Outcomes...

Revised Oil Palm - Planting Approval Form (PAF) - Working Document

Although the need to review and update the Planting Approval Form (PAF) was identified prior



Certification Challenge & Chance

Chance:

- Market access
- Improvement social conditions
- Integrated in a global system
- Higher level of income
- Improved access to credit and technical assistance
- Integration into high value market

Challenge:

- Cost of Certification
- Proof of land rights
- Compliance with Standard (Use of pesticides and fertilizer, waste management...)
- Organization



Conclusion

- Training for smallholders and development of practical tools to get good technical, policy and market information
- Enable farmers to understand ecological requirements
- Enable farmers to understand financial statements and balances
- Improvement in knowledge of agriculture practise (seed stocks, use of fertilizer)
- Develop a social security system for farmers



Open Questions

- Social security system for farmers?
- Improvement of Certification schemes (group certification)?
- Training of Smallholders ?
- Strengthening of cooperatives ?
- Definition of core message for a sustainable agriculture e.g. low carbon agriculture?



Thank you

Martina Fleckenstein

Fleckenstein@wwf.de

+49 30 30 87 42 11