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# **Linking Smallholders to Commodity Markets - Role of Certification & Standard -**

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# 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



**Applicable for smallholders and family farming**





# 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 Pesticide
- Protection of Biodiversity
- Soil protection
- Water consumption
- Conversion of carbon stock
- .....







# 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

Felda is world's first RSPO certified smallholder body







# 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

Partners on our Journey  
*Sustainable Smallholders*

### 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 questionnaire survey, more work is needed to strengthen 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 strengthen existing government extension service rather than replicating it.



### 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 lack the understanding of how to integrate the RSPO P&C with their work and demonstrate to smallholders how to achieve compliance.

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 Biodiversity, High conservation values (HCV), Integrated Pest management (IPM), OHS & Environmental responsibility, FPIC, HIV&AIDS and plantation upkeep 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**

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