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Hotel Santika Premiere Dyandra, Medan, Indonesia

RSPO 2nd Smallholders Linking & Learning Workshop

2013 PROCEEDINGS OF THE WORKSHOP

Organized by:
RSPO Smallholders Working Group
RSPO Secretariat

INTRODUCTION

The *Smallholders Linking and Learning Workshop* is a platform for exchange of ideas, information, knowledge, lesson learnt and alike among smallholders, be it at local, regional or international level; smallholders who has the interest to become a sustainable oil palm producers. This year, the workshop was held at Hotel Santika Premiere Dyandra, Medan, Indonesia. The workshop was attended by about 150 participants. The organising of the Workshop was done in conjunction with the RT11, to allow greater participations from stakeholders and smallholders to attend the workshop.

This document is a compilation of the presentation being presented and discussed during the workshop. By sharing this information and the outcomes of some trial, the Smallholder Working Group hopes to create a platform that can benefit more smallholders and stakeholders.

The Co-Leaders of the Smallholders Working Group and the RSPO Secretariat would like to extend their appreciation to all the presenters for preparing the materials. Also to all the participants who have participated very actively throughout the session.

ORGANISER
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http://www.rspo.org/en/smallholders_linking_and_learning

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PANEL DISCUSSION I

Session Chaired by Petra Meekers, NBPOL//SHWG Co-Leader

Paper 1: Asosiasi Petani Swadaya AMANAH – the first RSPO certified Independent Smallholders group for Indonesia; *by Sunarno, SH Group Manager of Asosiasi Petani Swadaya AMANAH, Indonesia*

Highlights

- Sharing on the condition of farms and data collection on yield before and after RSPO
- Preparation towards certification (training series, formation and registration of Group, understanding ICS etc)
- Highlighted the challenges faced before and after RSPO certification

Q&A

Asmar Arsjad (Asosiasi Petani Kelapa Sawit Indonesia): Sangat menarik sekali ada petani swadaya yang sudah mendapat sertifikasi dari RSPO. Namun saya kurang jelas dengan berapa produksi sebelum ada sertifikat dan sesudah ada sertifikat. Pokoknya klon apa yang digunakan, bibit dari mana, sehingga produksinya itu bisa mencapai TBS sampai dengan 24 ton per hektar per tahun.

It is good to know that Smallholder groups have been certified. But I am not clear on the data on production before and after RSPO. What planting material (seedlings) were used and where you can sourced it from as the total FFB/ha/year is quite high.

Narno: Terima kasih. Pertama, bibit kami dari Malihat. Kemudian produksi sebelum sertifikasi lebih kurang 15-16 ton/ha/tahun. Setelah sertifikasi, biasanya itu maksimal 2 ton, jadi dalam setahun menjadi sekitar 24 ton/ha/tahun. Kita juga mengalami tingkat produksi yang sangat drastis karena begini; pada saat itu kita menggunakan pupuk mengikut pemahaman masing masing (suka-suka) kita. Bukan mengikut keperluan tanaman. Setelah sertifikasi kita lebih seragam, menerapkan praktik terbaik, melalui beberapa pelatihan. Kemudian kita meletakkan pupuk sesuai dengan analisa daun yang menjadi acuan penggunaan ataupun keperluan tanaman pada tahun berikutnya. Kita menerapkan praktik Tepat Guna, Tepat Waktu, Tepat Tempat dan Tepat Dosis.

The seedlings are sourced from Malihat. The production before certification was 15-16 ton/ha/year, and after certification it is 24 ton/ha/year. The reason for this increase was mainly because previously we apply fertilisers without any plan or guidance. But now we do Good Agricultural Practices, applying input was based on need, such as using the technique of leaf analysis where you will know how much (optimum amount of) fertilizer needed. We use the technique of Correct Use, Correct Time, Correct Place and Correct Amount.

Uki (Setara Jambi): Saya ada beberapa pertanyaan. Saya kira banyak petani kecil di sini yang juga ingin tahu, berapa estimasi biaya yang dikeluarkan oleh petani dari awal peralihan sampai mendapatkan sertifikat? Kedua, bagaimanakah kemudian sertifikat itu digunakan? Adakah laku dijual di international atau laku di perusahaan. Yang ketiga, saya berpikir memang ada perubahan di tingkat produksi dari sebelum dan sesudah sertifikasi. Saya juga melihat ada dukungan dari perusahaan seperti Asian Agri misalnya, jadi selepas sertifikasi, kira-kira apa benefit lain yang diterima oleh petani, misalnya adakah perbedaan harga buah bersertifikat yang dibeli perusahaan dengan yang buah tidak tersertifikasi.

My first question is what is the cost estimation borne by farmers from the beginning until certification? Secondly, how is then the certificate being used? Is it marketable internationally or to the local company? Thirdly, based on the changes that you experienced before and after certification, what benefit did you get after certification – for example price of FFB sold increase maybe?

Narno: Yang pertama mengenai estimasi biaya, proses kami adalah suatu pendampingan dari pihak pihak yang saling mendukung agar kelompok petani swadaya kami bisa tersertifikasi. Dukungan yang diterima, bukan saja dari segi finansial (uang) tetapi juga ada satu koordinasi, pelatihan dan pengaturan. Penjualan sertifikat RSPO yang diberikan adalah melalui GreenPalm. Status sekarang masih dalam proses pengiriman. Dari segi, produksi yang kita capai adalah meningkat. Kami juga memaksimalkan hubungan kami dengan perusahaan supaya keberadaan Asosiasi baik dimata perusahaan. Kita membangun suatu sistem dengan perusahaan– adanya harga yang lebih baik dikarenakan kualitas TBS kami lebih baik dan sustainable.

Firstly, on the cost estimation, we get help from supporting organisation that work together to bring us for certification. We get support not in a form of monetary aspect only but also in terms of acquiring knowledge on coordination and training (on best practices). CSPO Certificate trading was done via GreenPalm. We have not received the money yet, but it is coming. Our overall production really has increased. We also maximise our rapport with company so that we made our Group known to them. We work together and developed a shared system with the company (of better fruit trading) – better price for better quality and sustainable FFB.

Arifin (SPKS): Saya senang ada petani yang sudah mendapat sertifikat. Kita bisa melakukan penggambaran ketika melakukan praktis pembangunan kelapa sawit yang terbaik tentu mendapat hasil yang baik pula. Teorinya adalah jika menjalankan pratik terbaik, pasti akan dapat hasil yang tinggi juga. Persoalan saya, ketika menjalankan praktik terbaik, dari siapa dan siapa yang membiayai? Pertanyaan yang kedua, untuk lebih memperjelas apa yang ditanyakan oleh Mbak Uki tadi, biaya petani ketika melakukan persiapan peralihan sampai mendapat sertifikasi dari RSPO, berapa rupiah yang dikeluarkan oleh petani? Ketiga, melihat terjadinya peningkatan drastis dalam penghasilan ton, tapi saya belum yakin, kerana saya juga seorang petani. Bagi saya, peningkatan ini adalah kebetulan pada musim buah yang banyak. Jadi, bapak jangan terlalu bergairah dengan peningkatan ini hanya melalui praktik terbaik selama hanya kurang lebih 6 bulan. Ke-empat, memang benar target kita adalah produksi, tapi kita juga tahu tentang premium. Adakah bapak sudah menerima premium atau tidak? Jangan kita dijanjikan premium jika tidak ada buktinya.

I am happy to know that there are smallholders who have been certified. We know that in theory that good agricultural and practice will give the best production yield. When you get theory and practical, from whom and who support the cost? I want to clarify the question from Ms. Uki just now, when calculated in average, how much of the cost are borne per farmer for certification? Thirdly, your data shows a drastic increment of production, but I am not convinced because I am a farmer as well. For me, your data coincidently following the good fruiting season. So don't be too excited. Fourthly, even though our target is certification, we know about premium. Have you got it or not? Please do not promise about premium if there is none.

Narno: Fakta yang ada ini merupakan fakta aktual yang kami alami sendiri. Kami didampingi oleh WWF-Indonesia secara teknikal dan finansial. Yang pertama mengenai pelatihan yang kita terima. Semuanya adalah persiapan sertifikasi. Biaya sebenarnya kami tidak tahu. Tapi yang jelas kami diberi pelatihan dan pemahaman, sampai menjelang audit. Mengenai produksi, secara logika, pemupukan saat awal adalah atas kemauan kita. Pemupukan juga tidak tepat waktu. Bila kita diberi pelatihan, kita selalu mencari ilmu pengetahuan dari para pakar, termasuk dari perusahaan yang berdekatan dengan kita, contohnya Asian Agri. Jadi kita manfaatkan ilmu yang berkaitan kepada para ahli. Pemupukan kita juga berdasarkan analisa daun. Analisa daun dibuat menjelang akhir tahun (Sept-Okt), kemudian di awal Desember, keputusan analisa daun keluar. Awal tahun berikutnya, baru dibuat implementasi. Cara pemupukan juga seragam. Setelah sertifikasi, maksimal 6 kali pemupukan dibuat, sebelumnya cuma 3 kali maksimal. Kalau dulu, biaya perawatan lebih kurang 1 juta/hektar/tahun, sekarang lebih kurang 400 ribu/hektar/tahun. Inilah fakta yang kami alami. Dari segi musim, tahun tanam adalah pada 2000-2001. Sekarang ini memang masa puncak. Tentang harga premium, bukan itu saja yang kami kejar. Paling tidak petani memahami tentang praktik terbaik, benar-benar menjadi petani yang lestari. Bila ini kita ikuti, logikanya hasil kebun kami akan lebih baik.

The data that I share here is from our own data collection. We get technical and financial help from WWF-Indonesia. Firstly, we get training. It is all about preparation for certification. We do not know what the actual cost is. But we were given training and understanding when it comes to audit. On production, before this, our fertilizer application was at our own leisure. The types of fertilizer used were not observed, and application was not on time. After certification, we get to learn from experts including adjacent companies like Asian Agri. Then we share this knowledge with all group members. Application and type of fertilizer used was based on recommendation after leaf analyses done at year-end (Sept-Oct) whereby the results will be known by December. Implementation will be done at early year. Last time it used to be three times maximum, now it 6 times with more systematic application. Before certification, input cost was about 1 million IDR/hectare/year, now it is 400,000 IDR/hectare/year. This is our facts. In terms of season, planting year was 2000 and 2001, so it is true now is the high fruiting season. About premium, it is still in process. But we are not aiming for that really. Awareness on the best practices as a sustainable farmer which able to maximize our production on palm area is the benefit that we care more.

Mohd Taufik (Asahan):

i. Apakah usaha pendirian kelompok ini dari swadaya sendiri atau melalui program yang disupport oleh pihak tertentu ? Kelompok Kelapa Sawit yang dilibatkan apakah dibentuk oleh pemerintah dan pupuk diberikan kepada Amanah?
ii. Apa motivasi yang mendorong para anggota Kelompok? Lahan yang dikelola berdekatan dengan PT Asian Agri, tapi kenapa Asian Agri membantu Kelompok

bapak saja, tidak termasuk kelompok kami yang juga berdekatan. Apa tips dari bapak?

Firstly, the effort of setting up this Group - was it initiated by the farmers themselves or initiated by a program from outside? The farmers' group you have, was it designed by the government and fertilizers were supplied to Amanah? What was the motivation for the group members? Your group's lands are located near to PT Asian Agri, which are also adjacent to our land. Why Asian Agri helped you and not us as well? What is your tips (of getting their help?).

Narno:

i. Pada 1998-1999, kami petani-petani yang ada (pada masa itu) giat mengerjakan lahan, bekerjasama dengan masyarakat lokal untuk legalitas. Kita dari awal sudah ada kelompok untuk bekerjasama dalam hal pembuatan jalan, supaya beban jadi lebih ringan. Kemudian pada 2000-2001, kerja pennanaman dimulai. Dalam proses itu kita tahu bahwa penjualan TBS dilakukan melalui orang luar (tengkulak). Banyak buah yang hilang. Kemudian, kami bersepakat membuat kelompok tani (pada tahun 2003) dan seterusnya kami bergerak sebagai kelompok. Kemudian pada 2011-2012, kelompok kami ditawarkan dengan proses sertifikasi ini.
ii. Petani swadaya kami rajin mohon bantuan, bukan berdiam diri. Kami mencari peluang untuk merapatkan diri dengan pihak lain yang dapat membantu. Kami mengikuti praktik terbaik yang disarankan juga oleh perusahaan yang berdekatan. Jadi kami bisa mengukuhkan keberadaan kami kepada mereka.

During 1998 to 1999, we were among the farmers doing on our own farm. We worked together with local community on legalization errands. From the beginning we already have our own group mainly to share costs of maintaining road in our farm. Then in 2000-2001, we start our planting work. During the time, we knew about issues on fruit trading via middle man, where lots of fruit gone missing. So then we agree to form a Farmer Group (on 2003) and it has been going on till then. In 2011-2012, our Farmer Group was offered with this certification.

Our group is quite intensive in seeking for help. We don't keep quiet. We try to seek opportunity to be close with organization that can help us. We follow what the best practices suggested to us by the nearby companies, so that we can strengthen our rapport with them.

Tuti (Sucofindo):

Saya ingin bertanya beberapa hal yang tidak muncul dalam presentasi bapak tadi.

i. Mengenai ruang lingkup, bapak bermitra dengan lebih dari satu koperasi. Apakah bapak sudah memastikan hak hak bapak (petani sebagai anggota) telah dimasukkan ke kontrak kemitraan koperasi, kerana terdapat koperasi yang cuma mau mendapatkan keuntungan maksimal, sehingga tidak sustain diakhirnya. Maksudnya disini, adakah bapak membuat kontrak di antara koperasi-koperasi ini?
ii. Mengenai legalitas tanah, apakah status tanah bapak APL, AP, APK atau yang lainnya. Kita tau kalau APL, dari legalnya ada yang baru. Dari aspek RSPO, kalau seandainya itu bukan area penggunaan lain, berstatus bukan produksi konsesi atau APK, apakah memang bisa mendapat sertifikat.
iii. Mengenai HCV, apakah tanah petani bapak ada sungai. Karena petani swadaya ini paling rajin menanam di pinggir sungai. Apakah mereka rela membiarkan 100m

nanti masa replanting untuk restorasi. Dan apakah petani bersedia melakukan pemeliharaan tanpa chemical nantinya.

I would like to ask few questions which were not mentioned yet in your presentation. First, with regard to scoping area, you combined with other farmers' cooperative in your group. How do you ensure that your rights have been secured in an agreement or contract with them (other farmer group)? Do you have contract with these cooperatives that you are working with? Secondly, what is the legal status of your land? If it is not for agricultural crop, can you still get certificate? Thirdly, does your land have any river? Do you think your farmers willing to let go 100m for restoration later on? Do you think they are willing to do none-chemical based practice later?

Narno:

i. Berkenaan ruang lingkup, keberadaan petani dan koperasi. Kami memang menjalankan kegiatan melalui keberadaan koperasi – jadi anggota asosiasi adalah juga anggota koperasi. Di sini juga ada fasilitas-fasilitas untuk semua anggota asosiasi dan koperasi – punya hak yang sama. Juga selalu ada perlatihan untuk anggota asosiasi, supaya kami bisa mempertahan keberadaan prinsip & criteria RSPO walaupun di satu sisi sangat berat – tapi ada gambaran peluang dan masa depan yang bisa kita harapkan.
ii. Status tanah adalah SAPT – keterangan tanah saat clearing. Kita ikut aturan pemerintah (dari SAPT ke SHM). Dari SHM, salah satu kelengkapan untuk sertifikasi. Kemudian kita dapat STDB.
iii. HCV di dalam lahan, petani banyak memahami tentang menjaga kelestarian lingkungan. Kita harap anak cucu kita juga ikut mengetahui dan menikmatinya. Kita ada buat keberlanjutan penanaman di aliran sungai. Kini, tepi sungai di lahan kami sudah ditanami hutan. Kemudian yang ditanam sawit nanti akan ditinggalkan setelah dirawat.

With regards to scoping area, that is the relationship of farmer and cooperative. We have cooperative, and whoever is our farmer group, they became the cooperative member as well. All has equal right, in terms of using facilities provided. Training also are provided to members so that we would be able to maintain the P&C, even though there are part which are very difficult to comply – but we see better opportunity ahead. Secondly, on the legal status, the moment we do land clearing the status was SAPT. We follow the government regulation (from SAPT to SHM). It is one of the requirements for certification. Then we get STDB. Thirdly, about HCV in farm area; our farmers understand about sustainable practices. We hope our next generation will also know and able to enjoy the benefit. We do continuous planting along the river. Now, our riverbank has been reforested. Those areas with oil palm will be left after treated.

Petra Meekers: The other question was on legality of land. I will answer on that aspect. In the standard, we have to look at the legal situation of the land. If the legality is not recognized, it is difficult. We understand that land issue in Indonesia with regards to smallholder is a big issue. Am not saying we have a solution for that. So to give you a confirmed answer, first of all the context of what you are asking, if there is no an official title of the land as such, as a palm oil plantation, we have already issue on legality, right? So, it will be difficult in term of certification. I hope that answers you. At this point, RSPO would like to keep the standard that the legality is an important thing. The whole certification is a journey. And the journey has a lot of hurdles. What is more important is that, this is a journey bringing smallholder towards certification. We hope today you would have answers to some of your questions.

Paper 2: Journey towards RSPO Certification of the 1st Malaysian Independent Smallholder Group: Lessons Learnt; *by Sheila Senathirajah, Group Manager of WAGS WildAsia, Malaysia*

Highlights

- Elaboration on common profile of Malaysian smallholders
- Challenges faced by smallholders in Malaysian context
- RSPO uptake: costs of membership, agronomists supports

Q&A

Purwo Susanto (Oil Palm Consultant):

i. Is RSPO standard lower for smallholders compare to companies?
ii. Why do the location of smallholders' not in one landscape. Too far from each other. Can you explain that?

Sheila:

i. We have been working with estate and smallholders. They have different requirement. Because when you deal with smallholders, it is about Group Certification. Some are not applicable to smallholders. For example, smallholder does not need to have a Health and Safety plan, but they need to apply safety procedure. So, practical things which will be looked at. We use standard of group management scheme i.e. the Internal Control System.
ii. How we manage farmers in different landscape? This is an issue we had. Earlier we thought, everybody would join, but in reality not all will want to join. So they are scattered. So we start with who want to join first. We work with these small group first. It is OK if they are not side by side. We can still help them for certification. But we need to see how they are managing their farms. Simply put, now what we are trying doing is, now that we have the first independent group certified, and we know that it is hard to get people to join into this whole group, we are trying to reach out to the other province so that we can make it into a big landscape.

Asmar Arsjad (Asosiasi Petani Kelapa Sawit Indonesia):

i. Apakah kelompok yang didukung ini dari Felda?
ii. Berapa jumlah pabrik kelapa sawit milik petani, dan berapa milik perusahaan?

Are these group supported by Felda? How many mills are owned by farmers and how many are by companies?

Sheila:

i. Di Malaysia, 40% pengeluar buah kelapa sawit adalah pekebun kecil dan 60% adalah dari syarikat. Daripada 40% itu, 28% adalah pekebun kecil dibawah skim kerajaan seperti Felda dan Felcra, manakala selebihnya iaitu 12-14% adalah pekebun kecil bebas. WAGS memberi tumpuan kepada pekebun kecil bebas atau persendirian.
ii. Pekebun kecil bebas tidak memiliki pabrik (kilang).

In Malaysia, 40% of oil palm producers are from smallholders and 60% are from companies. From that 40%, 28% are schemed smallholders such as Felda and Felcra, while the rest which is 12-14% are independent smallholders. This independent smallholder is the group that WAGS are focusing on. Independent smallholder do not own mill.

Ilangovan (Felda): If I may add, Malaysia have about 450 oil palm mills.

Hj.Faiz (NASH): Who finance the whole process in the certification? What is the function of MPOB?

Sheila: We collaborate with Solidaridad. WildAsia have funded in-kind. And we continuously find funding. So it is a process. But because we wanted to prove that this (certification) could work with smallholders we embark on this journey. We thought this would be a good journey. And also we have other side projects now like with Nestle and Cargill. So, when we start off, of course we need funding, but at the same time we look into making this a sustainable market for the people on the ground. For independent farmers, MPOB started with SPOC whereby their focus was on GAP. When they go for RSPO Smallholder certification, they involve us to help preparing the farmers.

Arifin (SPKS): Saya faham organisasi anda menawarkan pendampingan ke arah sertifikasi kepada petani-petani kecil. Pada dasarnya, petani kelapa sawit memang mau sertifikasi, tetapi tiada biaya untuk pendampingan. Mahukah anda membantu kami (petani kecil di Indonesia)?

I understand that your organization offering support for smallholders towards certification. Fundamentally, we the smallholders do want to be certified, but we cannot afford the costs. Are you willing to help us (smallholder in Indonesia)?

Sheila: Memang betul WildAsia berpusat di Malaysia. Tapi kita berharap program sertifikasi yang kita buat di Malaysia ini boleh dibawa ke negara lain yang juga mempunyai pekebun kecil sawit persendirian. Jika kita ada project partner, ya, kita boleh bantu anda. Mengenai kos, kami memang sedar petani kecil tidak mampu menanggunginya. Sebab itulah kita perlu mencari rakan projek dan penderma untuk membantu.

It is true that WildAsia is based in Malaysia. But we hope that the certification programme that we have in Malaysia will be able to be replicated in other countries that also have independent oil palm smallholders. If we have project partner, yes we can help you. About costs, we are aware that smallholder cannot afford it. That is why we need to find partners and donors to help in that aspect.

Paper 3: Lesson Learnt of CFFB Trading & Annual Surveillance Audit for Certified ISH Group, Thai Smallholders; *by Thitinai Pongpiriyakit, GIZ Thailand*

Highlights

- Database development of smallholder, the certified group smallholders' activities within a year.
- Sharing their lessons learnt in maintaining their ISH Group certificate
- Highlighted few key points for auditor's consideration/ preparation in smallholders certification or surveillance activities

Q&A

Purwo Susanto (Oilpalm Consultant): You spend between USD8,000 to USD12,000 for surveillance costs. How much money spent per hectare and what cost was covered?

Thittinai: I don't have the figure now. This figure is only for surveillance audit costs. There are other activities done such as training and meeting. For HCV assessment, we have government that organizes all visits; we pay for meal and drinks only.

Yuanita (Cargill): We have about 8,000 hectare of smallholders' land in Sumatera PT Hindoli, within 17 cooperatives. All has RSPO certified. But about the regulation, we have RSPO, and now we have ISPO. But government still formalizing standard for smallholders. How is the regulation for smallholder in Thailand? I want to be clear on surveillance costs – how many hectares do it applied for the range figure you mentioned?

Thittinai: 1,478 hectare for USD8,000 to USD12,000 per group. The smallest size was 187 hectare. Regulation wise, now we are successful with the first four groups. Government is interested to support and keen to copy and replicate the success of our group. Demand from mill on RSPO-certified FFB will increase, so this will help smallholders in Thailand.

Jimmy Tan (Neste Oil): You appeal them (smallholders) with certification, and with high cost for certification, they will become unsustainable.

Thittinai: We have premium money from GreenPalm to cover these costs. We don't use the money received to be distributed back to members. Next year we will have Off Market Deal (OMD) from Johnson & Johnson to help, or some mill may help us with the cost.

Aripin (Smallholder): You speak on behalf of GIZ. As GIZ, what makes you go to help the Thai smallholders? Why not go to Indonesian smallholders? And as Thai smallholders, what did they do that attract GIZ to come?

Thittinai: Three years ago I worked with GIZ Program in Thailand to help smallholders towards RSPO certification. Now, I still work with GIZ, to support smallholder to maintain their certificate. In Thailand, about or more than 70% of the total production of oil palm in Thailand are coming from smallholders.

Bob Norman (GreenPalm): Premium and cost of audit seem to be high. This is a quick note. In 2013, the Thai ISH Group have 9,200 tonnes of palm oil certificate which equal to approximately USD40,000 with the four groups for surveillance cost. Dividend was USD1.5 to USD5 per tonnes to cover surveillance costs. In GreenPalm certificate, trading price is at USD3 per tonnes usually, but for which smallholder's FFB is actually receiving higher than this figure.

PANEL DISCUSSION II

Session Chaired by Marieke Leegwaters, Solidaridad/SHWG Co-Leader

Paper 4: Lesson Learnt and Challenges of Auditing Independent Smallholders; *by Senniah Appalasamy, Client Manager, BSI Group, Malaysia*

Highlights

- Sharing challenges and lesson learnt in auditing smallholders (Malaysia, Indonesia and Thailand case)
- Shared CB's perspective on constraints seen among Independent Smallholder to get organised for certification

Q&A

No question was raised. Marieke Leegwater, informed that currently SHWG is reviewing the Smallholders Group Certification Standard, which will help in providing more user-friendly approach of understanding the standard for smallholders.

Paper 5: SPKS as a Smallholders Organization in Indonesia; *by Darto Mansuetus Alsy Hanu, SPKS Indonesia*

Highlights

- Sharing on challenges faced by independent smallholders (access to capital, efficient smallholders organization, replanting costs, farmer's capacity, land issues)
- Improving livelihood via collaboration with stakeholders ie. banks, government agencies, etc.
- Sharing on SPKS own programme model for members – the Sapi & Sawit Program, and Tabungan Simpan Pinjam

Q&A

Purwo Susanto (Oil Palm Consultant): Mengenai replanting, jika ada HCV di lahan petani swadaya, bagaimana tuan menangani hal ini. Mengenai masalah sapi dan sawit, tapi Sumatera Utara sapi dilarang masuk ke kawasan kelapa sawit. Kenapa RSPO membenarkan, dan kenapa di Sumatera Utara tidak?

About replanting, if there is HCV in the farmer's land, how do you manage this? About oilpalm and cow integration, it is a problem in North Sumatera because it is not allowed – to have cows inside oil palm estate. Why RSPO allows? Why North Sumatera did not allow?

Darto: Pertama, berkenaan replanting bagi yang ada HCV. Ini bukan untuk penanaman baru (NPP). Ini terkait dengan replanting, dimana usia sawit yang ditumbang, ditanam yang ulang. Persoalannya adalah bagaimana menyediakan HCV itu dikawasan yang cuma 2 hektar. Bagi saya, yang penting adalah bagaimana mengintegrasikan konsep HCV di dalam lahan. Kedua, program sapi dan sawit, seperti mana di Jambi, sapi-sapi disediakan oleh perusahaan (model sistem kredit). Tapi yang saya sampaikan adalah yang petani beli sendiri. Jika dikatakan tidak ada peningkatan ekonomi, ini tidak benar kerana sapi ini boleh dijual dagingnya untuk tujuan kenduri kendara. Pupuk kompos (dari ternakan) juga adalah contoh peningkatan hasil sawit. Petani dapat pupuk kompos daripada apa kalau bukan dari binatang peliharaan.

First, about the replanting in land that has HCV. This is not for NPP. This is related to cutting older palms then replant new palm again. The question is how to prepare for HCV in a small area (2 ha). For me, what is important is how to integrate HCV concept in the farm. Secondly, on the Sapi & Sawit program, like those in Jambi, the cows were supplied by companies (credit system model). But what I suggest here is, cows which are bought by the farmers themselves. If there are claim that there is not economical increase that is not true, because these cows can be sold for meat. Farmers can also get compost fertilizer from their livestock.

Paper 6: Sharing Experience by Keresa Plantation Smallholders: Associated Independent Smallholders; *by Abdul Aziz Zainal Abidin, Keresa Plantation, Malaysia*

Highlights

- First certified in 2010 as Schemed Smallholders with Keresa Mill.
- In 2012, five more group joined – having 54 farmers altogether.
- 3P benefits to smallholders (transport, training, fertilizer input & good price)
- Sharing on the key success factors in the relationship between Keresa Mill and smallholders, as well as some current challenges faced.

Q&A

Dawn Robinson (Proforest):

i. Is Keresa acting as Group Manager for the smallholders? If so, what are the challenges? If not, who is the Group Manager?
ii. What is the contract you have with smallholder? Is there a commitment from the smallholders to sell fruit to your mill? For how long? What was the process? If there's no contract, how did you address the issue of investing in the production?

Abdul Aziz:

i. We (Keresa Plantation) appoint permanent person as Group Manager who is managing overall documentation and recruit additional member. At smallholders group level, we also have the Ketua Rumah (chief of the Long House) from each group as group leader. During audit, the Ketua Rumah is the person we follow up with for improvement or as liaison person.

ii. Challenges as Group Manager was about maintaining the group to comply with standard, especially on HCV assessment. They are only smallholder, and they rely on our mill for certification. We provide a membership form to be filled up by member. But since we are local mill, and they are local people, and we want to help, we also buy fruit from the non-member.

Purwo Susanto (OilPalm Consultant): In your slide, you said 2 hectare for one time burning. Can you clarify, as in the RSPO standard, there should be no burning. Do you modify the standard? What is Keresa?

Abdul Aziz: In Sarawak, we have a different regulation. Due to culture-associated, we cannot avoid from doing burning. But we follow the National Resources Environmental Board (NREB) guideline on fire danger rating system. According to the guideline, they (the farmers) need to do field recording for 365 days, then need to submit letter to NREB who will issue a permission letter stating what time and date they can do burning activity. As for smallholder, in the first stage, they don't have enough money to hire excavator to do land clearing. That is why we allow them to burn at minimum 2 ha at one time. This only been done at the first stage. But as their yield increase, we may not allow them to use fire anymore. Keresa is a mill and with plantation area of 6,200 ha. It is a local company.

Petra Meekers (NBP Oil): I must stress and clarify here that, generally under the RSPO standard, burning is only used for sanitation purposes and severe cases of pest disease control. In terms for Sarawak, I am not sure. Normally, the CB should look into respective National Interpretation to have a look at how to fit in the countries setting.

NB: Refer RSPO P&C 5.5 and 7.7

Paper 7: Associated Smallholder in Papua New Guinea; *by Ian Orell, PNG Palm Oil Council, Papua New Guinea*

Highlights

- Provide an overview of the smallholders' development in PNG at national context
- Emphasised that all associated smallholders in PNG are RSPO-certified

- Sharing on the different land types of the associated smallholders (LSS – Land Settlement Scheme, VOP – Village Oil Palm, CRPB – Customary Right Property Blocks)

Q&A

Brucks Woll (Conservation International): Do you have special agriculture in HCV?

Ian Orell: Our smallholders are not located in any HCV.

Peter (Rainforest Alliance): Simple HCV assessment, how does it work?

Ian: It is very simple. When we have a Simplified HCV assessment toolkit developed for SH, we will actually revert that. Basically what it does, firstly a simple assessment in primary forest. The primary forest is a 'No Go' area. If we look at impacted in forest, then it is a decision to be made. Basically, if it is deemed that, if the development does not go ahead, no oil palm into that area we will then continue with regeneration. That is then the 'No Go'. However, if there is population pressure on the area, even we don't do oil palm, then it is acceptable (continue development). That is the key. Obviously, no forested land with existing cultivated is acceptable.

Asmar Arsjad (Asosiasi Petani Kelapa Sawit Indonesia): I look at the last photo of this presentation, does child-worker allowed?

Ian: No, basically we follow RSPO standard. These are family farms. The children here are not impacted. But I will say that this is a constant-challenge.

PANEL DISCUSSION III

Session Chaired by Petra Meekers, NBPOL/SHWG Co-Leader

Paper 8: Smallholder Oil Palm Growers in Latin America: A quick introduction; *by Dawn Robinson, Regional Director: Latin America, Proforest*

Highlights

- Provide the overview of smallholders' scenario in Colombia, Ecuador, Honduras, Guatemala and Brazil.
- Latin America being 5% contributors to global oil palm production.
- Planting oil palm (including for smallholder) are company-driven or government-driven development.
- More communication needed between RSPO and Latin America.

Q&A

David Burns (National Wildlife Assoc.): Palm oil good market, is it where Latin America are going to? Or is it by lot by countries? Where is that going?

Dawn: It varies by countries. Over lunch with a few Colombian friends today, who was saying 50% of palm oil exported from the county of which 80% is to Europe. But I don't think it is the same for other countries. Like in Honduras, lots of exports go to Mexico. Brazil has little export. But I think there's a lot. I hope anybody has any information here can share with us.

Rafiq Silitonga (Smallholder): Is there any effort from Latin America to beat Malaysia and Indonesia as main producer of palm oil?

Dawn: There is Government scheme to promote oil palm as our internal energy & fuel self-sufficiency. Also as export crop. But its only 5% compare to 85% in Malaysia and Indonesia.

Purwo Susanto (OilPalm Consultant): Brazil is an important biodiversity area. Do they have plan to wipe out forest HCVA for palm oil or replace sugar or other crop to oil palm.

Dawn: Most of expansions were taking place in one state, Param, which does have high biodiversity. I am not sure what the current land uses are. Definitely, not all are on existing agricultural land. Definitely some clearance involved. Some companies involves are taking initiative learning about RSPO certification and looking at how to implement HCV. I should mention that there are two companies on certification one in Brazil, the RSPO Certification Agro Palma, and there's one in Columbia. Yes, it's a big issue, and that is why it is good timing for RSPO to enter Latin America because where there is expansion, there is an opportunity to make sure that they are aware of the RSPO requirements, if they want to be certified. Because then you can influence them for clearing stuff.

Julia Majail (RSPO): This is just to respond on request from Latin America. It is in RSPO plan to setup a satellite office in Latin America. RSPO have just started an office in Europe. Soon in our pipeline also are countries like Africa, China and India.

Paper 9: RSPO Smallholder Support Fund (RSSF); *by Julia Majail, Smallholders Program Manager, RSPO Secretariat and Rosemary Addico, Programme Manager, SOLIDARIDAD, Ghana*

Highlights

- USD1.5 million is available for 2014 application.
- Sharing on the current condition of independent oil palm farmers in Ghana and the plan to integrate farmers for certification.
- Sharing of key information needed when applying for RSSF.

Q&A

No name (PNG): Am sitting with smallholders who have been certified. Is it possible to apply fund to improve level of compliance for smallholder?

Julia Majail (RSPO): We do include that element in the application, which is about corrective action. But priority will be towards certification.

Dawn Robinson (Proforest): To offer to 800 smallholders, this must be a big project. I wonder if there is any guideline on application. Any maximum or minimum fund offered – scale of application for fund.

Julia Majail (RSPO):: We can go to maximum of USD100,000 per project/year. We look more at the project impact and scale of the project. We look at whether the project is feasible and sustainable. We give priority to 'low hanging fruits' project i.e. ready to be certified. We just started this RSSF, hence we would look at the trend of application that reach us and see if there is improvement need to be done.

Aripin (Indonesia): When to apply? Is there a criteria? How can we get this information? Are there any organizations that can help independent smallholder for support (in submitting the application)?

Rafiq Silitonga (Indonesian smallholder): What are our chances to get RSSF? If we do it and not get it – that will be a waste. What are the best smallholder group to be included or in which group size?

Julia Majail (RSPO): Project funded by RSSF depends on how far you can fulfil the fund criteria. Yes there are criteria to be followed. Details of RSSF can be accessed in the RSPO website. That is why the more detail information you can provide, the easier for us to appraise your project proposal. Who is eligible to apply – smallholders' Group Manager that keen to go for RSPO certification.

Paper 10: Smallholders and Certification (study case: Sumatra, Indonesia); *by Diana Chalil, University of Sumatera Utara*

Highlights

- Sharing findings/results of survey done to 553 smallholders on certification challenges. The study was conducted around North Sumatera, Riau and Jambi in 2012 and 2013.
- Findings of survey shows there are gaps among smallholders in meeting the RSPO P&C standards.
- The study then analyse reasons behind the gaps and provides recommendation for mitigation

Q&A

Yunita (PT Hindoli, Cargill): My first question, I would like to ask about your finding with regard to land matter. Is there any finding that indicates issue on overlapping land, such as overlapping land area between smallholders' and production forest area, for example. Secondly, is there any complaint from other party or community around asking about degradation of the forest?

Diana: Usually those who have good relationship with mills or companies, they get full support. They can learn about preparing document or just rely on staff for preparing of documents. If they don't have such kind of relationship, it will be a serious problem for them because RSPO require documenting all the P&C. Am not sure whether the support is coming from external or not. For the second question, the complaint is really rare because these smallholders are part of the community so they don't really have that kind of conflicts or complains.

Joko (IDH): Besides giving premiums for example, do you see other supports that the mills could do for the smallholders? Secondly, from your study, is there any trader involved? What are the roles of the traders? We know about cooperatives, but what are these traders for the smallholders?

Diana: Actually the purpose of these smallholders to be involved in certification is not just to get premium, but also to have a secured market (constant purchase of fruits from buyer). With constant purchase, even if the price did not increase much, they are still okay (to sell it). They know about fruit prices that always fluctuating. On the second question, some traders provide instant cash to these smallholders. This became a problem because traders usually pay with lower price. But because smallholders usually need instant cash, they prefer to deal with traders than mills. Other roles of mills are, intensively helping the smallholders preparing documentation for certification requirement.

Paper 11: Updates on Smallholders' Document Review; *by Dr Bala, ERE Consultancy*

Highlights

- Steps taken by SHWG in the process of reviewing the document
- Provide the background and justification of reviewing the smallholders' Group Certification Standard
- Concept and approach of the new document

Q&A

Holly (Natural Justice): What are the consultation processes? How do you do consultation?

Dr.Bala: By May 2014, we must get the final document ready for Executive Board. So working backward from that deadline, by Feb 2014 we must get the final draft ready. We will be using RSPO website and email correspondences to each stakeholder to compile feedback and comments.

ANNEXES

Annex 1: Presentasi Group Manager Asosiasi Kelompok Tani Swadaya Group Amanah, Indonesia;*by Narno, Indonesia*
http://www.rspo.org/file/Indonesia%20Asosiasi%20Petani%20Swadaya%20AMANAH%20-%20Indonesian%20first%20RSPO%20certified%20Independent%20Smallholders%20group.pdf

Annex 2: Presentation onJourney Towards RSPOCertification of the 1st Malaysian Independent Smallholder Group:Lessons Learnt; *by Sheila Nadarajah, Group Manager of WAGS (WildAsia), Malaysia*
http://www.rspo.org/file/Malaysia_Wild%20Asia%20Group%20Scheme%20(WAGS%20-%20MPOB%20SPOC%20Beluran)%20-%20the%20first%20RSPO%20certified%20Independent%20Smallholders%20group%20for%20Malaysia.pdf

Annex 3: Presentation on Lesson Learnt of CFFB Trading & Annual Surveillance Audit for Certified ISH Group, Thai Smallholders; *by Thitinai Pongpiriyakit, GIZ Thailand*
http://www.rspo.org/file/Thailand_Certified%20FFB%20Trading%20&%20Annual%20Surveillance%20Audit%20-%20Thai%20Smallholder%20Groups.pdf

Annex 4: Presentation on Lesson Learnt and Challenges in AuditingIndependent Smallholders, *by Senniah Appalasamy, Client Manager, BSI Group*
http://www.rspo.org/file/Auditing%20Independent%20Smallholders_Lesson%20Learnt%20and%20Challenges.pdf

Annex 5: Presentation on SPKS Smallholders, *by Darto Mansuetus Alsy Hanu, SPKS Indonesia*
http://www.rspo.org/file/SPKS%20as%20a%20smallholders%20organization%20in%20Indonesia.pdf

Annex 6: Presentation on Sharing Experience by Keresa Plantation Smallholders: Associated Independent Smallholders, *by Abdul Aziz Zainal Abidin, Keresa Plantation, Malaysia*
http://www.rspo.org/file/Malaysia_Keresa%20Plantation%20Smallholders%20-%20Associated,%20Schemed%20or%20Independent.pdf

Annex 7: Presentation on Associated Smallholder in Papua New Guinea; *by Ian Orell, PNG Palm Oil Council, Papua New Guinea*
http://www.rspo.org/file/PNG%20and%20Solomon%20Islands_%20Associated%20Smallholders.pdf

Annex 8: Presentation on Smallholder Oil Palm Growersin Latin America: A quick introduction; *by Dawn Robinson, Regional Director: Latin America, Proforest*
http://www.rspo.org/file/Latin%20America_Understanding%20the%20Smallholders%20context%20in%20Latin%20America.pdf

Annex 9: Presentation onSmallholders and Certification(study case: Sumatra, Indonesia); *by Diana Chalil, University of Sumatera Utara*
http://www.rspo.org/file/Indonesia_Smallholder%20and%20Certification%20in%20Indonesia,%20A%20study%20by%20Universiti%20Utara%20Sumatera.pdf

Annex 11: Presentation on RSPO Smallholder Support Fund (RSSF), *by Julia Majail, Smallholders Program Manager, RSPO Secretariat/ Rosemary Addico, Programme Manager, SOLIDARIDAD, Ghana*
http://www.rspo.org/file/RSPO%20Smallholders%20Support%20Fund%20(RSSF).pdf
http://www.rspo.org/file/Ghana_Integrating%20Independent%20Smallholder%20Farmers%20into%20SPO%20Chain%20Through%20RSPO%20Certification.pdf

Annex 12: Presentation on Background and Concept of RSPO Smallholders Document Review; *by Dr Bala ERE Consulting*
http://www.rspo.org/file/Smallholders_Document_Review_Background.pdf