

The Thai National Interpretation – Guidance and Indicators for Independent Smallholders under Group Certification

- Progress Report -

April 1, 2011

Background

Thailand is the third largest producer of palm oil in the world and Thai oil palm production is dominated by smallholders, contributing with more than 70% to overall production. Smallholders in Thailand are considered as independent smallholders as in most cases they are free to decide how to use their land and manage their crops, they are mostly self-organized and financed and they normally do not have any contractual agreements with oil mills. Thai smallholders in any case are free to decide where to sell their produce and negotiate a price with potential buyers. This can widely be seen as desirable conditions however it poses challenges as well especially regarding enabling Thai smallholder's access to RSPO certification. The challenge mainly lies in the certification process in itself as a burden and hurdle for market access rather than in sustainable practice of smallholder farmers. Sustainable practice however holds a great potential to improve the livelihood of smallholders and their communities as well as increasing the efficiency of the Thai palm oil industry which is long overdue to be improved.

It therefore is a high priority of the Thai National Interpretation Working Group to develop guidance and indicators of the RSPO Principles and Criteria for smallholders, establish a group certification system and find viable solutions to enable smallholder farmers to follow sustainable farm practice and to avoid their exclusion from the market for sustainable palm oil.

Process so far

During the 4th Thai National Interpretation Working Group (TH-NIWG) Meeting on 21-22 September, 2010, the establishment of a Thai Task Force (TTFS) on Smallholders has been decided and the according terms of reference for the TTFS were agreed upon. The main task of the TTFS is to produce a draft version of a Thai Guidance and Indicators for Independent Smallholders under Group Certification. The TTFS has twenty one (21) official members coming from academics (3), farmer representatives (6), refineries/biodiesel (3), palm oil crushing mills (4), NGOs (1), government (3) and producer associations (1).

Since its establishment until now, the TTFS met three times. Meetings took place on:

- October 20-21, 2010 in the Rama Garden Hotel in Bangkok
- December 14-16, 2010 at Univanich Palm Oil Pcl. in Krabi
- February 22-24, 2011 at the Maruay Garden Hotel in Bangkok

After electing a chairman (Dr. Prakarn Virakul), outlining the previous Thai NI process, defining the terms smallholders and group managers in the Thai context and discussion possible group certification models, the TTFS proceeded with elaborating the indicators and guidance for smallholders under group

certification and concluded with a final draft in their last meeting. The final draft has been posted for public consultation on the website of the Thai Office of Agricultural Economics (<http://www.oae.go.th/>) as well as on the website of ThaiNGO (<http://thaingo.org/web/>) in Thai language. Submission of the English version of the final draft and posting it on the RSPO website is done in conjunction with the release of this progress report.

Next steps

To develop the final version of the Thai National Interpretation – Guidance and Indicators for Smallholders under Group Certification, the following next steps will be taken:

Tentative timeline	Activity	Objective
April 2011	Post English version on the RSPO website	Public consultation on the international level website
May 9-11, 2011	Public Consultation Meeting for local stakeholders (Krabi Province)	Inform smallholder farmers and collect their comments and concerns
May 9-11, 2011	Field Test	Check the practicability of the standard in the field with selected farmer groups
May 2011	Revise final draft of TTFS	Integrate findings from public consultation (national and international) and field test
May 27, 2011	5 th TH-NIWG meeting	Achieve consensus on and finalize the document
June 2011	Translation to English	
June 2011	Submission to the RSPO	Get approval by the RSPO EB

The public consultation meeting for local stakeholders, mainly smallholder farmers, takes place in Krabi, the province with highest production of oil palm in Thailand. Farmers from other oil palm growing provinces in Thailand will be invited to the meeting. The field test is conducted with existing farmer groups aiming for RSPO certification.

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