RSPO Workshop Krabi 1st of June 2009

Introductions:

Khun Sudarat states that RSPO might become a requirement in the future, not only for biodiesel but also for food products. Thailand should be prepared and also make sure that the smallholder farmers are integrated. The RSPO has to be adapted to Thai conditions (NI) and the participants support is needed for that. A questionnaire is handed out to assess the needs of the participants.

Khun Montol introduces the project between GTZ and OAE.

Governor Is grateful to have this project in Krabi, the capital of palm oil in Thailand. He sees a great future for the palm oil industry and expects all stakeholders to work together and ensures his own support.

ProForest 1st presentation:

Q&A: There are no specific RSPO requirements for Palm Kernel Oil. The certified product is what comes out of the certified mill.

ProForest 2nd presentation:

Q&A: It has been discussed whether RSPO constitutes a trade barrier to Thailand and concluded that RSPO might be a requirement for export markets in the future which might offer a premium price. If it is a trade barrier we have to overcome it. Other countries were able to do it to and TH might have an advantage because of its production conditions and the lessons learnt in other countries. ProForest team states that we are just at the beginning and need a common understanding to start a participatory process where everybody has a say, so no need to panic.

ProForest 3rd presentation:

There has to be a NI of the smallholder guidelines. Independent smallholders are dealt with in **RSPO group certification protocol** and make FFB certification possible in the future. A lot of responsibilities will go to the association / group manager level. Smallholder cannot be expected to meet the same requirements as estates.

Q&A: Why we need a standard additional to **GAP** which leads to more costs and what about other oil crops? Discussion of a premium price is a sensitive issue, market might go in that direction but it's not part of RSPO standard. Funding mechanisms are planned within RSPO. Thailand is on the safe side because they have the domestic market which so far does not require RSPO. It is underlined that **RSPO is a voluntary standard** and to comply with it is up to the producers and the market.

<u>Pannell discussion Krabi:</u>

Dr. Palat: We should be prepared for the future and not wait too long. There might be a premium price at the beginning but sooner or later this will disappear and **RSPO will be a requirement**. (This has happened in the forestry sector as mentioned by ProForest) RSPO offers better market access. About 80% of the production in Thailand already meets RSPO requirements. We need RSPO to prove it.

Sawang: If you already comply with **ISO** it is easy to get RSPO but the legal requirements are not available yet. International customers already ask for RSPO and it will be easy to achieve RSPO. But we need the smallholders which so far cannot be integrated to RSPO. Smallholders will not benefit but Thailand will benefit from RSPO. **Farmers should form groups and get support from mills**. There will be social and environmental benefits. The Agricultural Bank of Thailand as well as a social NGO should become RSPO members. A petition should be sent to EU to ask for exception for TH for sustainability directive.

TEI: RSPO has environmental benefits due to the reduction of fertilizer and herbicides which now negatively affect the ecosystem. Concerns related to oil palm is monocropping and forest encroachment. Doing HCV assessments is not difficult and TEI is willing to participate in NI.

Somchai: It is a good idea to have a standard for on farm practice and consider impacts on the environment. We have to take into account that Thai smallholders often have farms which are much smaller than 50 ha. **We need government support to go for RSPO**. If the customer (downstream industry) requires the standard the farmers have to follow but it cannot be too strict. We **need a case study** that it can be done and there are benefits (higher yields etc.). The whole value chain has to go for it so farmers will follow.

ProForest: The **ramps play a crucial role in Thailand** and have to be considered in NI. Everybody has to be included and ramps could be group managers. Benefits have to be shared. **Thailand needs more presence in RSPO discussion**. Even Thailand has fewer issues there are problems with encroachment of peat swamps in the far south. We should try to increase biodiversity in palm farms. Quality is not a requirement of RSPO (Pep), but this could be included in Thai NI. There is no specification on good seedlings on RSPO. RSPO can’t cover everything.

Discussion on prices:
RSPO does include a fair pricing to some extent (transparency etc.). Farmers should for groups to get negotiating power. Should a price be paid according to quality? **The premium is questionable but financial benefits could arise from reduced cost and improved farm management**.

Smallholders:
Smallholders need support from government. They are the big challenge regarding RSPO certification in Thailand. Interested smallholder could get support through the project but the project can't provide all the necessary services.

Carbon Credit:
RSPO does not guarantee to claim carbon credits but could become a platform. As oil palm is classified as orchard and not forest it might be difficult to get CC.

Next steps:
Need minutes from planning workshop, communicate to stakeholders and identify responsibilities. If we agree to go for RSPO we should **establish the NI Working Group** and ask for all stakeholders groups participation to follow the steps presented by ProForest. The interested groups should address GTZ and OAE or write down there name after the meeting. OAE-GTZ will facilitate the process, work on the translation and commission a working draft for Thai NI.