

**MINUTES OF MEETING**  
**RSPO Oleo Task Force Meeting**

**Time** : 1603 - 1712 (MYT)  
**Date** : Thursday, 30/03/2023  
**Venue** : Conference Call/Market Transformation Zoom

**Attendees:**

Name	Initial	Organisation	Representative Category
Choong Wai Tuck	CWT	IOI Oleochemical Ind.	Processors and/or Traders
Girish Deshpande	GD	P&G	Consumer Goods Manufacturer
Jessica Wettstein	JW	Barry Callebaut	Processors and/or Traders
Joshua Lim	JL	Wilmar Trading	Processors and/or Traders
Rina Rahayu	RR	IOI Group	Processors and/or Traders
Robert Kessels	RK	Sipef Group	Palm Oil Growers
Sietse Buisman	SB	Cargill	Processors and/or Traders
Tobias Zobel	TZ	BASF	Processors and/or Traders
Inke van der Sluijs	IS	RSPO Secretariat	Director, Market Transformation
Christine Joan Spykerman	CJS	RSPO Secretariat	Malaysia office
Divya Bajpai	DB	RSPO Secretariat	Manager, Assurance Europe
Hanib Bin Libon	HBL	RSPO Secretariat	Senior Executive, Supply Chain
Nur Amanina Bt Zahir	NAZ	RSPO Secretariat	Executive, Certification
Muhammad Shazaley Abdullah	MSA	RSPO Secretariat	Head of Certification
Mohd Shafiqul Syaznil	MSS	RSPO Secretariat	Senior Executive, Supply Chain
Ruzita Abd Gani	RAG	RSPO Secretariat	Supply Chain Manager
Yen Hun Sung	YHS	RSPO Secretariat	Head, Impacts & MEL

**Absent with apologies:**

Name	Initial	Organisation	Representative Category
Agathe Laville	AL	Barry Callebaut	Processors and/or Traders
Alexandre Rossi	AR	Barry Callebaut	Processors and/or Traders
Helen Scholey	HS	Shell	Processors and/or Traders
Marieke Leegwater	ML	Solidaridad	sNGO
Mark Wong	MW	Sime Darby Oils	Processors and/or Traders
Martin Huxtable	MH	Unilever	Processors and/or Traders
Rafael Milantonio	RM	Natura & Co	Consumer Goods Manufacturer
Teun Eigenraam	TE	IOI Group	Processors and/or Traders

**Invited but not in attendance:**

Name	Initial	Organisation	Representative Category
Peter Becker	PB	Evonik	Processors and/or Traders

**Agenda:**

Time	Topic	
4.03 - 4.03	1.0 RSPO Antitrust Statement Reading	Secretariat
4.04 - 4.04	2.0 Approval of the Agenda	Secretariat
4.04 - 4.05	3.0 RSPO Secretarial Updates	Secretariat
4.05 - 4.34	4.0 Approval of Draft Minutes of Meeting (7 November, 2022) 4.1 Pending Actions	Secretariat
4.34 - 4.40	5.0 Revised BoG Decision Paper on CSPKO Shortage in the Market: Discuss way forward	Secretariat
4.40 - 4.42	6.0 BoG Decision Paper on 1 to 1 Conversion Rules: Finalise Draft	Secretariat
4.42 - 5.04.	7.0 Enforcement of Traceability Requirements For MB Mills	Secretariat
5.04 - 5.12	8.0 AOB - Next Meeting	Secretariat

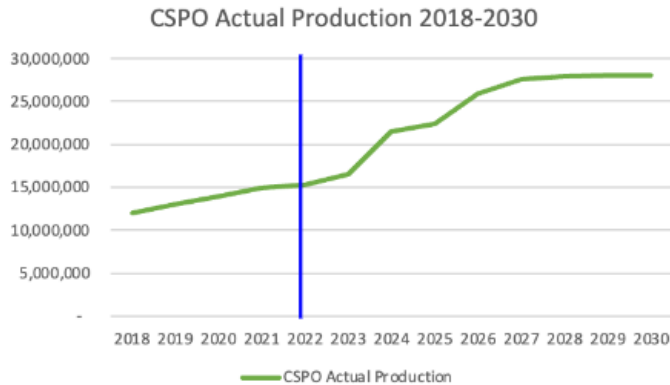
**DISCUSSION:**

No.	Description	Action Points (PIC)
<b>1.0</b>	<b>RSPO Antitrust Statement Reading</b>	
1.0	IS welcomed members to the Oleo Task Force (“OTF”) and read the Antitrust Statement.	
1.1	<p><b>Antitrust Statement</b></p> <p>The Oleo Task Force (“OTF”) refers to the RSPO’s Antitrust Guidelines for the conduct of our meetings and conference calls. They can be found at <a href="#">RSPO Antitrust Guidelines</a>.</p> <p>There shall be no discussion of specific selling or buying of materials, pricing or any joint venture, future or collusive actions, such as excluding or choosing a supplier. All commentary is limited to current or historical activity. Any decision you reach from the information from the Oleo Task Force (OTF) materials or discussed in the meeting is an individual decision based on your own investigation and judgement.</p>	

<b>2.0 Approval of Agenda</b>		
2.0	IS presented the draft Agenda to the OTF which was approved by the members.	
<b>3.0 RSPO Secretarial Updates</b>		
	<p>IS shared some Secretarial Updates with the OTF Members:</p> <ul style="list-style-type: none"> <li>● Inter-American conference: 30&amp;31 May 2023 in Miami, US</li> <li>● Sustainable Palm Oil Dialogue Europe: 14 June Frankfurt, Germany The OTF members recommend inviting the EC to explain how the EUDR should be implemented by the sector.</li> <li>● RT2023: week of 20 November Jakarta, Indonesia</li> <li>● ACOP 2022 is open for submissions until 19 May</li> </ul>	
<b>4.0 Approval of Draft Minutes of Meeting</b>		
4.1	<p><b>Review of Minutes</b></p> <p>The <a href="#">minutes</a> from the previous RSPO-Oleo Task Force Meeting (11 November, 2022) was presented. The Minutes were accepted with no amendments and/or objections but with some pending action points which will be discussed in the meeting.</p>	
4.2	<p><b>Pending Action Points From Last Meeting:</b></p> <ol style="list-style-type: none"> <li>I. RSPO Secretariat to project future production of CSPK based on ACOP.</li> <li>II. RSPO Secretariat to circulate the revised BoG decision paper on CSPKO shortage, members to respond before 14/11/2022.</li> <li>III. RSPO Secretariat to revise the draft BoG decision paper on 1 to 1 Conversion Rules to reflect the discussion and recirculate before asking the MDSC for advice.</li> <li>IV. Discuss impact of enforcement of traceability requirements for MB mills.</li> </ol>	

**4.3  
(I)**

**Future projections of Production of CSPO and CSPK based on ACOP.  
Simplified Forecast of CSPO**

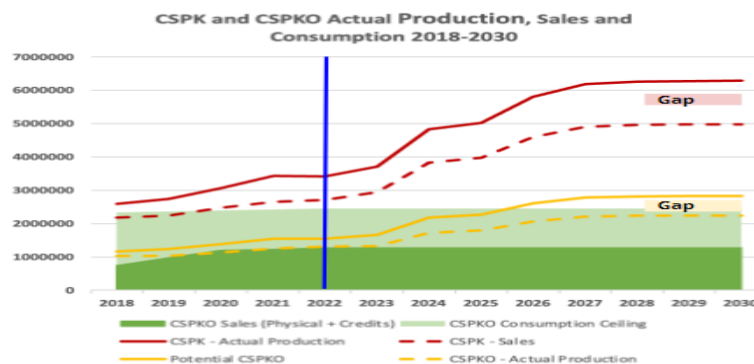


- Projections of CSPO Actual Production based on declared TimeBound Plans and mandatory timelines for certification under P&C certification
- Recent trends - **annual increases of ~1 million MT per year since 2018 but a slowdown in 2022**, seemingly linked to challenging economic environment and fluctuations in certification levels
- **Q1 2023 trends appear encouraging**; significant clearing of the RaCP backlog has allowed more units to progress to certification (especially in Indonesia and Africa), and **~130 new units started their RaCP process in 2022**
- Assumptions behind the projection are *ceteris paribus*: based on current members and current timelines
- **CSPO supply could reach 28 million tonnes by 2030**

As mentioned, this forecast is based on existing members implementing their TimeBound Plans, however the OTF members are sceptical that this growth can actually be achieved.

**(II)**

**Simplified Forecast of CSPK and CSPKO**



- Projections of CSPK Actual Production and Potential CSPKO

	<p>production based on generic CSPO-CSPK yields and generic Kernel Extraction Rate (KER)</p> <ul style="list-style-type: none"> <li>- CSPKO Sales based on current consumption levels</li> <li>- CSPKO Consumption Ceiling based on the potential CSPKO consumption from current existing RSPO members at a theoretical 100% uptake</li> </ul> <ul style="list-style-type: none"> <li>- Recent trends - <b>CSPKO market began to narrow in 2019, tightening significantly in 2020, 2021 and 2022</b></li> <li>- Current trends indicate <b>tightness will persist in 2023</b></li> <li>- <b>New P&amp;C certifications in 2023 and 2024 may ease the situation, assuming most new CSPK is converted into CSPKO</b></li> </ul> <ul style="list-style-type: none"> <li>- Under the current conditions, <b>CSPKO supply will only meet the CSPKO Consumption Ceiling in 2032</b></li> <li>- <b>If the current gaps can be closed, CSPKO supply could meet the CSPKO Ceiling by 2026</b></li> </ul> <p>The OTF discussed the need to see the potential demand capacity projections of our existing members as well. It is unclear what the impact of the EUDR will be on the supply and demand dynamics.</p>	
<p><b>5.0 Revised BoG Decision Paper on CSPKO Shortage in the Market: Discuss Way Forward</b></p>		
<p>5.1</p>	<p><b><i>Revised BoG paper: “CSPKO shortage in the market” not endorsed</i></b></p> <p><b>Current Situation:</b> Per ACOP 2021, there is nearly 900,000 MT of CSPK sold as conventional by RSPO P&amp;C certified mills, representing 404,520 MT of potential CSPKO that is currently unrealised. Distribution of this potential CSPKO is concentrated; 5 RSPO members represent 73% of unrealised CSPKO volumes.</p>	
<p>5.2</p>	<p><b><i>Recommendation to develop an action plan to:</i></b></p> <p><i>(i) address the losses in the supply chain by :</i></p> <ol style="list-style-type: none"> <li>1) <i>raising awareness amongst the RSPO certified mills with unsold CSPK volumes</i></li> <li>2) <i>raising awareness amongst the certified KCP and Independent Smallholder Groups with unsold CSPKO volumes</i></li> <li>3) <i>using spatial mapping for connecting certified mills with certified crushers</i></li> <li>4) <i>developing an outreach program for uncertified KCP</i></li> </ol>	

	<p>(ii) increase overall CSPO/CSPK supply :</p> <ol style="list-style-type: none"> <li>1. review potential volume in the RaCP process (637 management units in different stages of which 130 came in in 2022, volume data not available yet)</li> <li>2. develop strategy for new grower engagement</li> </ol> <p>The OTF members ask why the paper was not endorsed by the BoG. Some members of the BoG expressed that firstly, the RSPO secretariat should focus on the losses of certified material in the supply chain, i.e. sold as conventional. Secondly, natural market forces of supply and demand should prevail to stimulate further production of CSPKO including efforts to attract more growers to become certified. The OTF members are disappointed with this outcome as they were tasked to come up with solutions for the market shortage of CSPKO and this proposal was a concerted effort by the OTF to address this. Now that this has been rejected by the BoG, the OTF can be dissolved. The members would like to be updated on market trends on a regular basis to monitor progress. The market trends for CSPKO are not public yet but this is WIP by the SCT WG.</p>	
<p><b>6.0 BoG Decision Paper on 1 to 1 Conversion Rules: Finalise Draft</b></p>		
	<p>The draft BoG decision paper on 1 to 1 Conversion Rules has been updated. The OTF members will receive the draft and will be asked to provide feedback within one week so that the draft can be shared with the SCT WG for their review.</p>	<p>Share draft BoG decision paper on 1 to 1 Conversion with the OTF members before sending it to the SCT WG for their review.</p>
<p><b>7.0 Enforcement of Traceability Requirements For MB Mills</b></p>		
<p>7.1</p>	<p>Indicator 2.3.2 of the 2018 RSPO Principles &amp; Criteria (P&amp;C):  <i>“For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1:</i></p> <ul style="list-style-type: none"> <li>○ <i>Information on geo-location of FFB origins</i></li> <li>○ <i>Proof of the ownership status or the right/claim to the land by the grower/smallholder</i></li> <li>○ <i>Where applicable, valid planting/operating/trading license, or is part of a cooperative which allows the buying and selling of FFB.”</i></li> </ul>	

	<p><b>Annex 4 of the 2018 RSPO P&amp;C states - Where the unit of certification has smallholder suppliers:</b></p> <ul style="list-style-type: none"> <li>○ <b>For existing RSPO certified mills:</b> the time requirement to fulfil this Criterion for all their smallholder suppliers is by <b><u>November 2021*</u></b>.</li> <li>○ <b>For mills that are not yet certified/mills going for the first certification:</b> the time requirement is <b>three (3) years from initial point of certification</b> for their smallholder suppliers.</li> </ul> <p><b>7.2 RSPO Interim Measure in Indicator 2.3.2 (RSPO P&amp;C 2018)</b></p> <ul style="list-style-type: none"> <li>• Some RSPO certified members are having <b>difficulties to meet the November 2021 deadline</b> to fulfil the requirement of Indicator 2.3.2 of the 2018 RSPO Principles &amp; Criteria (P&amp;C).</li> <li>• The time requirement for the following National Interpretations (NI) varies <b>according to the endorsement date by the BoG.</b> <ul style="list-style-type: none"> <li>○ <b>Malaysia:</b> 3 years from 15 November 2019 (i.e. 15 Nov 2022)</li> <li>○ <b>Indonesia:</b> 3 years from 15 November 2018 (i.e. 15 Nov 2021)</li> <li>○ <b>Sierra Leone:</b> 2 years from November 2021 (i.e. Nov 2023)</li> <li>○ <b>Nicaragua:</b> 3 years from November 2021 (i.e. Nov 2024)</li> <li>○ <b>Ecuador:</b> 3 years from 15 November 2021 (i.e. 15 Nov 2024)</li> </ul> </li> <li>• RSPO SSC and ASC have deliberated and provided an <b>Interim Measure</b> which was <b>effective immediately (15 Feb 2022) until the next revision of the P&amp;C is endorsed</b> and adopted at 20th General Assembly in November 2023.</li> <li>• All RSPO certified companies who were <b>unable to fulfil the requirement by November 2021</b> had to <b>REGISTER THEIR CASE with the RSPO Certification Unit</b> by sending an email to <a href="mailto:certification@rspo.org">certification@rspo.org</a> by <b>31 March 2022**</b> with the Subject: <b>"Indicator 2.3.2 Case Register [company name]"</b>.</li> </ul>	
<b>8.0</b>	<b>AOB</b>	
	<p><b>Next Meeting:</b> The Secretariat to send out a Doodle Poll for the next meeting date.</p> <ul style="list-style-type: none"> <li>- Next meeting end of May (Doodle)</li> </ul>	<p>The Secretariat to send out a Doodle Poll for the next meeting date.</p>