

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

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**Time** : 1600 - 1727 (MYT)  
**Date** : Thursday, 27/01/2022  
**Venue** : Conference Call/Zoom 5

**Attendees:**

Name	Initial	Organisation	Representative Category
Alexandre Rossi	AR	Barry Callebaut	Processors and/or Traders
Choong Wai Tuck	CWT	IOI Oleochemical Ind.	Processors and/or Traders
Girish Deshpande	GD	P&G	Consumer Goods Manufacturer
Helen Scholey	HS	Shell	Processors and/or Traders
Joshua Lim	JL	Wilmar Trading	Processors and/or Traders
Mark Wong	MW	Sime Darby Oils	Palm Oil Growers
Marieke Leegwater	ML	Solidaridad	sNGO
Rina Rahayu	RR	IOI Group	Processors and/or Traders
Robert Kessels	RK	Sipef Group	Palm Oil Growers
Teun Eigenraam	TE	IOI Group	Processors and/or Traders
Tobias Zobel	TZ	BASF	Processors and/or Traders
Inke van der Sluijs	IS	RSPO Secretariat	Director, Market Transformation
Ahmad Amirul Ariff	AAA	RSPO Secretariat	Certification Manager
Christine Joan Spykerman	CJS	RSPO Secretariat	Malaysia office
Hanib Bin Libon	HBL	RSPO Secretariat	Senior Executive, Supply Chain
Muhammad Shazaley Abdullah	MSA	RSPO Secretariat	Head of Certification
Mohd Shafiqul Syaznil	MSS	RSPO Secretariat	Executive, Certification
Ruzita Abd Gani	RAG	RSPO Secretariat	Supply Chain Manager
Yen Hun Sung	YHS	RSPO Secretariat	Senior Data Scientist

**Absent with apologies:**

Name	Initial	Organization	Representative Category
Nur Amanina Zahir	AZ	RSPO Secretariat	Senior Executive, Supply Chain
Paula Kasprzyk	PK	Avon, Bodyshop & Natura	Consumer Goods Manufacturer

**Invited but not in attendance:**

Name	Initial	Organisation	Representative Category
Diana Foong	DF	KLK Oleo	Palm Oil Growers (no response)

Martin Huxtable	MH	Unilever	Processors and/or Traders
Peter Becker	PB	Evonik	Processors and/or Traders
Sietse Buisman	SB	Cargill	Processors and/or Traders
Siti Rosemina Bux	SR	Emery	Processors and/or Traders (no response)

**Agenda:**

Time	Topic	
16.00 - 16.01	1.0 Antitrust Statement Reading	Secretariat
16.01 - 16.02	2.0 Approval of Agenda	Secretariat
16.02 - 16.08	3.0 Approval of Draft Minutes of Meeting (13 December 2021) 3.1 Minutes 3.2 Pending Actions	Secretariat
16.08 - 17.06	4.0 Data 4.1 CSPKO Supply and Sales 4.2 Conversions 4.3 Unsold Volumes	All
17.06-17.27	5.0 Report to the BoG 5.1 Data 5.2 Proposed short term solutions	Secretariat
17.27	6.0 AOB - Next Meeting	Secretariat

**Pending Actions:**

No.	Description
1.	To select a Chair for the Oleo Task Force (“OTF”).
2.	Certification Team to check how many crushers convert other products than CSPK to CSPKO: Agenda #4.
3.	Secretariat to present the conversion rules in the next meeting: Agenda #4.
4.	Certification Team to conduct a study on Mills which are not selling their Certified PK: Agenda #4.
5.	OTF Members to decide about the communication to the BoG: Agenda #5.

**DISCUSSION:**

No.	Description	Action Points (PIC)
<b>1.0 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="http://www.rspo.org/file/RSPO_Antitrust_Guidelines.pdf">http://www.rspo.org/file/RSPO_Antitrust_Guidelines.pdf</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 judgment.</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 Approval of Draft Minutes of Meeting</b>		
3.1	<p><b>Minutes</b></p> <p>The meeting minutes from the previous RSPO-Oleo Task Force Second Meeting (13 December 2022) was presented page by page. The Minutes were accepted with no amendments and/or objections but with some pending action points which will be discussed in the meeting.</p> <p>IS commented that the Minutes will be made available on the RSPO website. The Minutes of Meetings for Standing Committees and Working Groups are always published on the website, but we haven't included the Oleo Task Force yet. This will be done before the next meeting.</p> <p>IS also welcomed two (2) new joiners to the OTF, namely:</p> <ul style="list-style-type: none"> <li>i) <b>Alexandre Rossi (Barry Callebaut);</b> and</li> <li>ii) <b>Teun Eigenraam (IOI Group).</b></li> </ul>	
3.2	<b>Pending Actions:</b>	
3.2.1	<b>To select a Chair</b>	
	IS informed that she has not received any nominations during or after the meeting and enquired if any new joiners or anyone changed their mind and would like to take the Chair position for this Task Force.	

TZ suggested that since the work of the OTF is of great importance to RSPO, hence the Secretariat should consider heading the OTF.

IS commented that from her experience of running other groups, it is beneficial to have a Chair chosen from our members because the Secretariat prepares for these meetings and wants to make sure that progress is made and also ensure that all the different voices during the meeting are heard. Running the content and the meeting is challenging and it's more effective when there is a Chair to really ensure that all the different viewpoints are heard and minuted. It also helps to prioritise the meetings and set the agenda when there is a Chair.

IS then suggested keeping the Chair position open and reiterated that it's really beneficial to have a Chair and if there's no Chair, the secretariat will still proceed hosting the meetings.

**3.2.2 Other action items** from the last meeting are on the agenda and will be discussed in this meeting.

## 4.0 Data

MSA presented the following Data to the OTF Members.

### Data : What's Changed?

Indicators	Previous Graph	New Proposed Graph
CSPKO Sold Volume	The Data was extracted from PalmTrace covering all Models (IP, SG, MB, B&C)	No changes
CSPKO Certified Volume	The Data was calculated based on CSPK Certified Volume (issued for the Palm Oil Mills) and multiplied with <b>45% CSPKO Yield Scheme.</b>	No changes
CSPKO Actual Production	The Actual Productions indicated are calculated on estimated basis, based on the data of CSPK, Confirmed Shipping Announcement by the Palm Oil Mills from the	The new Data is sourced from Palm Trace and extracted based on <b>Confirmed Converted of CSPK to CSPKO.</b>  The conversion of CSPK

	Palm Trace and multiplied with <b>45% CSPKO Yield Scheme.</b>	to CSPKO is mandatory by KCP, hence it provides more accurate and precise source of data to indicate the Actual Production of CSPKO
CSPKO Converted Volume from 1:1 Rule	<p>We did not take into consideration of the 'Converted' volume to identify the volume of other products (i.e. CSPKE, PKFAD, PK Olein, etc) converted to CSPKO in the previous graph.</p> <p>In the previous graph, we are using the 'estimation' of AP from the <b>45% CSPKO Yield Scheme.</b></p>	Based on the Data sourced from Palm Trace, it is possible to sort/filter the Confirmed Converted of ALL products to CSPKO. Hence, for <b>any products other than CSPK</b> , it can be concluded that these volumes has been downgraded to MB (from its original models) to apply the 1:1 rules.

**4.1 CSPKO Supply and Sales**

- i) Annual CSPKO Sales (Data)**
- ii) Annual CSPKO Sales (Chart)**
- iii) Annual CSPKO Certified Volume**  
- the data is still the same as there are no changes to the data
- iv) Annual CSPKO Actual Production**
- v) Annual CSPKO AP vs Sales**

**Conclusion**

- a. RSPO Secretariat is positive that the Data presented in the updated Graph provides more accurate information.
- b. All the Data is obtained from a single source, that is PalmTrace.

**4.2 Conversions**

In PalmTrace the following products can be converted to CSPKO when downgrading from SG/IP to MB on a one to one basis: Crude PK Olein, Crude PK Stearin, CSPKE, PKFAD, Refined PK Olein, and Refined PK Stearin. The converted volumes between 2017-2021 were presented and discussed during the meeting.

Some members expressed their concern and recommended to stop these conversions. Other members said that all conversion rules should then be

Action for the next meeting: review conversion rules

	<p>reviewed, also CSPO conversions. Limiting the conversion rules will reduce the material available in the market. The proposal is to review all conversion rules before a recommendation is made. The conversion rules should be socialised better, regardless of whether we recommend keeping these as they are or propose to restrict conversions. A reflection of the reason for allowing conversions should also be done. A change in the conversion rules can only be made through a revision of the RSPO Supply Chain Certification Standard or a position paper approved by the Standards Standing Committee and the BoG.</p> <p><b>4.3 Unsold Volumes</b></p> <p>The Certification team looked at how many mills sold less than 10% of their CSPK certified volume in 2021. This was 73 mills in total; with most mills in Indonesia (27), Malaysia (18) and Latin America (16). The Certification team started to reach out to these mills to better understand the reasons for this. Some have explained that there were no certified crushers in the vicinity, others stated that the premium was not attractive to sell the palm kernels as certified.</p> <p>RK stated that these mills should be allowed to sell Credits. IS asked for clarification whether this should apply to all mills or on an exception basis. RK said all mills should be allowed to sell their CSPK as Credits. GD explains that the preference is for physical. The Palm Oil Coalition Group is mapping all Palm Kernel Crushers which should help with the awareness building and decreasing losses of certified material in the supply chain.</p> <p>RR reminded the members about Shared Responsibility and the target set for CSPO. For 2022, the members are encouraged to increase CSPKO uptake but no targets were set because of the shortage in the market.</p> <p><b>Challenges and Limitations</b></p> <ul style="list-style-type: none"> <li>• The RSPO IT Platform only captures information of Certified Volume of CSPK.</li> <li>• The function to ensure the CBs reported Actual CSPK production since April 2021.</li> <li>• The volume of confirmed CSPK sold are based on the “Confirmed” Shipping Announcement.</li> </ul>	<p>Action Certification team: continue outreach to mills</p>
<p><b>5.0 Reporting to the BoG</b></p>		
<p><b>5.1 Present Data</b></p>		<p>The Secretariat to report progress to the BoG</p>
<p><b>5.2 Proposed short term solution:</b></p> <p>i) Increase the number of certified palm kernel crushers.</p> <p>ii) Raise awareness with the Mills that sell CSPK as conventional PK.</p>		

6.0 AOB		
	<b>Next Meeting:</b> The Secretariat to send out a Doodle Poll for the next meeting date.	The Secretariat to send out a Doodle Poll for the next meeting date.