Smallholder Baseline Study 2012
Some preliminary observations

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The Survey

Questionnaire sent to 9 projects. Received replies from 4.

Questionnaire consists of six sections:

Section 1: Introduction
Section 2: Incentives of the project
Section 3: Organisation of the project
Section 4: Implementation of Agricultural and Management Practices
Section 5: Certification
Section 6: Additional Information
FELDA Segamat (Malaysia)

Project location: Segamat Regional Complex, Segamat Johor
Status of certification: RSPO Certified
Supporting agency: FELDA
Target number of smallholders: 2,290 settlers
Final number of smallholders: 2,287 settlers
Hectares of oil palm involved: 8,115 ha
Average yield before the project: 12.23 tonne/ha

AIM: To make settlers aware of the RSPO production principles especially on safety and health.

OBJECTIVES:
1. Improve safety in agro chemical use
2. Speedier implementation of group GAP
3. Improve in documentation
MPOB (Malaysia)

**Project location:** Telupid, Beluran, Sandakan Sabah, Malaysia  
**Status of certification:** Plan to go for certification in 2013 (Group)  
**Supporting agency:** MPOB  
**Target number of smallholders:** 42,397 smallholders.  
**Final number of smallholders:** 25,400 smallholders qualified for certification.  
**Hectares of oil palm involved:** 170,229 ha  
**Average yield before the project:** 15 tonne/ha (FFB)  

**AIM:** To optimize and sustain smallholders oil palm production

**OBJECTIVES:** 1. To increase smallholders income  
2. To increase Malaysia palm oil production  
3. To sustain Malaysian oil palm production  
4. For market access for Malaysia palm oil
GIZ (Thailand)

Project location: Eastern and south region of Thailand.
Status of certification: RSPO Certified (Group Certification - Independent)
Supporting agency: GIZ and Office of Agri & Economics, Ministry of Agriculture

Target number of smallholders: 1000 smallholders / 4 mills and 1 cooperative
Final number of smallholders: 412 smallholders
Hectares of oil palm involved: 2767.33 ha
Average yield before the project: Average 17.17 mt FFB/ ha/year

AIM: To make certified palm oil available in Thailand and accepted to the EU.

OBJECTIVES:
1. To have at least 2 groups of smallholders RSPO certified
2. To improve quality of life of the smallholders
3. To share and disseminate lesson learnt to other smallholders in other oil palm producing country
UKUI (Indonesia)

Project location: Desa Trimulya Jaya - Desa Air Emas – Desa Bukit Jaya, Kecamatan Ukui, Pelalawan District, Riau Province

Supporting agency: WWF Indonesia (Funding support: Carrefour – Technical Support: PT. Inti Indosawit Subur (Asian Agri) *non formal

Target number of smallholders: 349

Final number of smallholders: Currently 349 smallholders (will select the final number of smallholders that could be involved in the certification process)

Hectares of oil palm involved: 763 ha (from 349 Smallholders)

Average yield before the project: 14.7 ton/ha (FFB) (in 2011)

AIM: To get independent smallholders RSPO certified

OBJECTIVES:
1. As a market strategy in order to make the smallholder more competitive
2. Livelihood (smallholder income)
3. Encourage smallholder to perform environmental friendly activities and contribute to HCV preservation (nearby Tesso Nilo National Park)
4. Develop Internal Control System to reduce environmental damage caused by smallholders activities
Section 2 (Incentives of the Project) Questions:

- Who initiated the project?
- Why was it initiated?
- How was it initiated?
- What were the incentives offered to smallholders?
- How is ownership and consent organised?
- Human and Financial resources
- Challenges in the incentivising the project participants

**Linking and Learning**

If given the opportunity to repeat this what would you do differently? How can this process be replicated elsewhere?

**Role of RSPO Smallholder Working Group (SHWG)**

How can RSPO and the SHWG better assist this step of the process? What materials were required and how could these be improved? What other recommendations do you have for the RSPO SHWG on the issue of incentives?
Section 2 (Incentives of the Project): Some responses

How can RSPO and the SHWG better assist this step of the process?
• Simplify P&C for small holders (language, technicality)
• Link group with potential buyers
• Share best practices from other countries
• Provide financial assistance on membership and audit fees

What materials were required and how could these be improved?
• Manual and training tools in LOCAL language
• Training syllabus
• Produce more training material

Recommendations for the RSPO SHWG on the issue of incentives?
• Subsidise audit costs
• Provide mechanism for smallholders to access credit
• Create special identity for CSPO produced by smallholders so that market would be able to identify supplier (either from smallholders or company)
• Have smallholder category in the RSPO membership
Section 3 (Organisation of the Project) Questions:

- How are the smallholders organised?
- History of organisation
- Leadership
- Decision making process and conflict resolution
- Human and Financial resources
- Challenges

• **Linking and Learning**
  
  If given the opportunity to repeat this what would you do differently? How can this process be replicated elsewhere?

• **Role of RSPO Smallholder Working Group (SHWG)**
  
  How can RSPO and the SHWG better assist this step of the process? What materials were required and how could these be improved? What other recommendations do you have for the RSPO SHWG on the issue of organisation?
How can RSPO and the SHWG better assist this step of the process?

- **Experts** in the aspect of formalizing the SH group is needed. RSPO needs to come up with a manual/guidance how smallholders can build their group.
- Need to have “Organizational Experts” just like how we recognise the need for HCV experts, GAP experts etc.

What materials were required and how could these be improved?

- **Video clip** for easier understanding

Recommendations for the RSPO SHWG on the issue of organisation?

- Provide rewards/recognition to encourage participation
Section 4 (Agriculture and Management Practices) Questions:

- Key practices that were changed: What – Why – How?
- Implementation of key practices
- Monitoring and evaluation
- Human and Financial resources
- Challenges

**Linking and Learning**

If given the opportunity to repeat this what would you do differently? How can this process be replicated elsewhere?

**Role of RSPO Smallholder Working Group (SHWG)**

How can RSPO and the SHWG better assist this step of the process? What materials were required and how could these be improved? What other recommendations do you have for the RSPO SHWG on the issue?
Section 4 (Agriculture and Management Practices): Some responses

What materials were required and how could these be improved?

• Need many, many *guidelines* (e.g. on GAP, ICS, soil conservation, water conservation, fertiliser management, OSH, integrated pest management)

• *Video clip* for better understanding

Recommendations for the RSPO SHWG on the issue?

• Some practices recommended in the standard may not be practical for smallholders. Example:
  
  • potential to recycle the use of cleanse chemical container to collect loose fruits.
  
  • Receipts of payment to labour could be seen by the farmer as adding administration and paper work to the smallholders
Section 5 (Certification) Questions:

• RSPO Documentation
• Challenges
• Human and Financial resources

• **Linking and Learning**
  
  If given the opportunity to repeat this what would you do differently? How can this process be replicated elsewhere?

• **Role of RSPO Smallholder Working Group (SHWG)**
  
  How can RSPO and the SHWG better assist this step of the process? What materials were required and how could these be improved
Section 5 (Certification): Some responses

Question 34: On RSPO documentation

Key documents used:

- RSPO P&C
- RSPO Group Certification System
- National Interpretation of RSPO P&C
- RSPO Supply Chain Certification System

For usefulness, almost all scored 4 (on a scale of 1-5)

Suggestions to make the documents more useful:

- Translate to local language
- Make language and terminology easier to understand
- Make it simplified and practical
- Develop guidelines for group certification
Section 5 (Certification): Some responses

Question 35: What were the key challenges in certification?

Common responses:

- Lack of incentives/motivation
- Financial costs (membership fee, audit and certification costs)
- Understanding the documentation
- Documenting

How these challenges were overcome:

- More training
- Better training material
- Solve issues through participatory approach (e.g. FGD)
- Continuous improvement – acknowledge that longer more time required
Section 6 (Additional Information) Questions:

• Overall – if you ran this project again with another group of smallholders what would you do differently?
• What additional questions should have been asked but weren’t?
• What suggestions do you have for the RSPO SHWG?
Section 6 (Additional Information): Some responses

Question 39: If you ran this project again with another group of smallholders what would you do differently?

GET HELP!

• Get a sponsor partner to assist or subsidize e.g. commitment from a buyer for certified sustainable palm oil.

• Synergize efforts together with other organisations (GO or NGO) to help fill in the gaps.

Local context:

• Project intervention should be designed according to the local project/ target group context.
Question 40: Suggestions for RSPO SWG

(More questions than suggestions):

• How to make RSPO certification applicable for *illiterate farmers*?

• How to create “*SH Certificate*” for smallholders to enter the global market? (So the buyer will know where to get if they wish to buy from SH).

• How to *incentivize big players* to focus and prioritize in supporting smallholders to go for certification?
Preliminary Conclusion

From the responses above, some of the common suggestions for the RSPO SHWFG are:

- **Incentives**: More tangible incentives required.
- **Costs**: Need to bring down costs of audits, experts, etc.
- **Expertise**: Need pool of experts available for advice.
- **P&C**: Need to simplify and translate into local languages
- **Training material**: Need more training material in many areas