RSPO RT10 – Preparatory Cluster 2 - Smallholders

SMALLHOLDER OIL PALM GROWERS IN PNG

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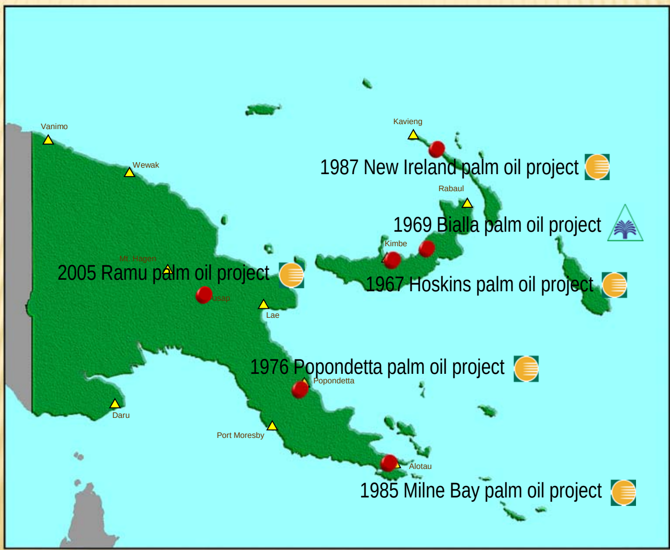
SMALLHOLDER OIL PALM GROWERS IN PNG

- Overview of smallholder project areas
- Types of smallholders & their characteristics
- Smallholder motivation to achieve certification
- Achieving certification in practice

PALM OIL PRODUCTION AREAS



PLANTED AREA & FFB PRODUCTION

Area Estimates Dec 2011 (ha)

Project Area	Plantation	Smallholder+	Total	% s/h
Hoskins (NBPOL, WNB)	36,127	25,906	62,033	41.8%
Popondetta (NBPOL, Kula Group)	8,533	11,835	20,368	58.1%
Milne Bay (NBPOL, Kula Group)	11,136	1,900	13,036	14.6%
New Ireland (NBPOL, Kula Group)	5,466	2,386	7,852	30.4%
Ramu (NBPOL, RAIL)	10,685	260	10,945	2.4%
Bialla (Hargy Oil Palms)	10,670	13,140	23,810	55.2%
TOTAL	82,617	55,427	138,044	
	59.8%	40.2%		

FFB Production in 2011 (tonnes)

Project Area	Plantation	Smallholder+	Total	% s/h
Hoskins	989,432	464,604	1,424,036	32.6%
Popondetta	212,096	167,864	379,960	44.2%
Milne Bay	237,221	13,634	250,854	5.4%
New Ireland	118,505	20,710	139,215	14.9%
Ramu	89,000	1,344	90,344	1.5%
Bialla	228,597	205,798	434,396	47.4%
TOTAL	1,844,851	873,954	2,718,805	
	67.9%	32.1%		

PNG 'ASSOCIATED' SMALLHOLDERS

- FFB market monopsony
- Characteristics of both 'Scheme' and 'Independent smallholders
- Full authority over their own land and farming systems choices

WHO ARE THESE PEOPLE WE CALL SMALLHOLDERS ?

Number of smallholder blocks (Dec 2011)

Project Area	LSS	VOP	CRPB+	Total
Hoskins	2,368	4,156	977	7,501
Popondetta	1,128	4,580	0	5,708
Milne Bay	0	781	0	795
New Ireland	0	1,410	0	1,410
Ramu	0	130	0	130
Bialla	1,660	1,858	26	3,544
Total	5,170	12,915	1,003	19,088

At least 200,000 dependent for their livelihoods on smallholder oil palm blocks

LAND SETTLEMENT SCHEME ISSUES:

Factors affecting LSS production:
- Population & economic pressure
- Household conflicts over income & labour
- Farm management practices
- Land Tenure

VILLAGE OIL PALM ISSUES:

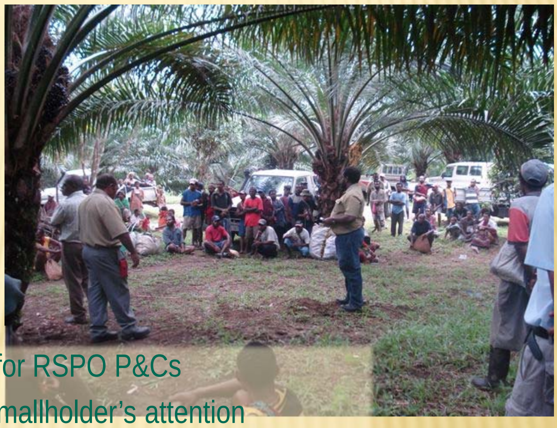
Factors affecting VOP production:
- Economic motivation
- Low level of interest
- Poor literacy and education levels
- Management of social & cultural obligations

CUSTOMARY RIGHTS PURCHASE BLOCK ISSUES:

Factors affecting CRPBs:

- Block management is relatively good
- Long-term land tenure insecurity
- Disputes and evictions
- Modified CLUA

MOTIVATION TO ACHIEVE CERTIFICATION



- Awareness of and support for RSPO P&Cs
- Other issues compete for smallholder's attention
- RSPO premium insufficient to incentivise smallholders
- PNG milling companies paying an 'encouragement' bonus
- Payment timed to have largest impact

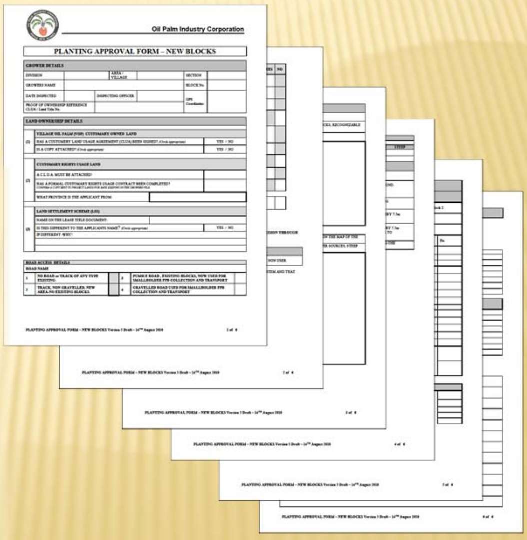
SMALLHOLDER CERTIFICATION IN PRACTICE

- All milling companies and smallholder service providers are involved
- Two main aspects to achieving smallholder compliance:
  1. Strict control of new plantings
  2. Coordinated awareness, support and monitoring to encourage and influence good practice

CONTROL OF NEW PLANTINGS

Planting Approval Form (PAF)

- Applicant details
- Land ownership & title
- State of road access
- Simple HCV appraisal
- Block location sketch
- Sketch showing topography and environmental features
- Buffer zone requirements
- Slope assessment



EFFECTIVE AWARENESS PROGRAMMES

Constraints to effective smallholder engagement

- Limited capacity of Government extension service
- Low literacy & education levels
- Low adoption rates of extension messages
- Poor smallholder attendance at field days
- Overriding cultural & socio-economic factors

EFFECTIVE AWARENESS PROGRAMMES

Using ICT to improve smallholder engagement

- Many blocks have DVD players
- Majority of blocks have one or more mobile phones

SUMMARY

- The lives of smallholder are not simple
- Land tenure arrangements dictate the main smallholder types & characteristics
- Social & cultural obligations and conflicts affect engagement and incentivisation
- Insufficient RSPO premium to engage smallholders' interest, so companies are paying an 'encouragement' bonus
- All companies and organisations engaging with smallholders are RSPO members
- Compliance is achieved by strict control of new smallholder plantings and coordinated programmes to influence smallholders re GAP and other RSPO requirements
- Low levels of education and illiteracy affect engagement strategies
- New developments in ITC and high levels of uptake by smallholders provide significant opportunities

THANK YOU