


Sustainable Palm Oil Production and Procurement (SPOPP)



Context - Why we do it:

Palm oil is the most consumed vegetable oil worldwide that meets 40% of the global demand for vegetable oils. Thailand is the world's third largest palm oil producer with 80% of the palm oil fields being operated by smallholders. Accordingly, palm oil production is an important income source for over 240,000 smallholder farmer households and their families in rural areas. However, palm oil production poses several sustainability challenges. In general, palm oil smallholders oftentimes have limited knowledge of sustainable farming practices and lack sufficient capital to improve their farms. As a result of these constraints, smallholders grow relatively poor-quality palm oil with low yields and lack access to international markets. Low yields further lead to palm oil plantations on forested land.

In response to these challenges, the Department of Agricultural Extension (DoAE) and Department of Agriculture (DoA) have joined forces with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in 2018 through the Sustainable and Climate-Friendly Palm Oil Production and Procurement (SCPOPP) project. The SCPOPP project has been financed by the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) under the International Climate Initiative (IKI). The project has created the Thailand Oil Palm Smallholder Academy (TOPSA) to train smallholders in sustainable palm oil cultivation and the digital farm database management application "i-Palm", to meet the Roundtable for Sustainable Palm Oil (RSPO) standard.



Building on the SCPOPP project, the Sustainable Palm Oil Production and Procurement (SPOPP) project was launched in 2022. It is funded exclusively by Global Green Chemicals Public Company Limited (GGC) and implemented by GIZ. The support of GGC has enabled the scaling up of SCPOPP activities, allowing more farmers to obtain the RSPO certification and enhancing their market access in Thailand and globally.

Objective - What we do:

The project aims to promote and scale up sustainable palm oil production in Thailand through enhancing smallholder capacities on sustainable palm oil production. The project supports smallholders to achieve the RSPO certification requirements.

Approaches - How we do it:

1. Partnerships between smallholders and palm oil mills

The project proactively facilitates the partnerships between palm oil smallholder groups and mills to ensure incentives are established for the transition to sustainable production of smallholders. By linking the smallholder groups with the certified sustainable supply chain, it allows them to sell their certified materials at a fair price.

2. Capacity building for sustainable palm oil production

The project is training selected Palm oil mills as well as certain smallholders to train farmers on sustainable palm oil production. The training material developed by TOPSA used for this capacity building follows the methodological requirements of the RSPO standard for certification.

3. Digitalization of farming data collection

An innovative digital application is being introduced to support farmers collect their farming data. This digital farm database management application -“i-Palm”- allows farmers to monitor their performance data , and improve their farming management plan in the future. In addition, this tool facilitates their RSPO membership application as well as checking their progress towards meeting RSPO requirements.

Results

- More than 1,000 smallholders were organized into farmer groups, covering a planted area of approximately 32,000 rai in four provinces: Chumphon, Krabi, Trang and Phang Nga.
- Seven partnership agreements between participating palm oil mills and smallholder groups were signed.
- 49 trainers were trained using TOPSA learning material.
- More than 1,000 smallholders in Thailand were trained in sustainable cultivation practices and prepared for RSPO certification.
- The i-Palm database was set up and managed to monitor and report results to meet the requirements for RSPO certification.
- Seven smallholder groups have applied for RSPO membership.

Financed by:

Global Green Chemicals Public Company Limited (GGC)



Country:

Thailand

Project Partners:

- Trang Palm Oil Mill
- Suksomboon Palm Oil (Phang-Nga) Mill
- A.J. Palm Oil (Chumphon) Mill
- Palm PunLan Mill
- S.P.O Agro (Trang) Mill
- Saeng Arun Palm Oil Mill
- Phattara Palm Oil Mill

Project Duration:

07/2022 – 02/2024

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