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CB's Experience in Auditing Independent Smallholder

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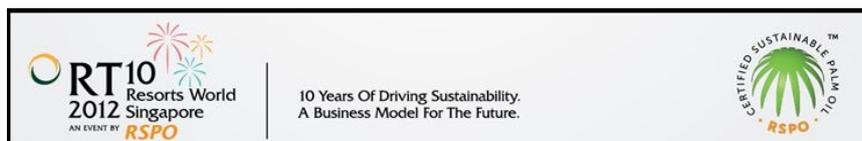


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Reference Documents.

1. RSPO P&C for Independent Smallholder under Group Certification (National Interpretation).
2. RSPO P&C Generic Guidance for Independent Smallholder under Group Certification.
3. RSPO Standard for Group Certification.
4. RSPO Certification System 2007_revised 4.2.4 July 2011.
5. Elements from SCCS related to traceability of FFB produced and sold.



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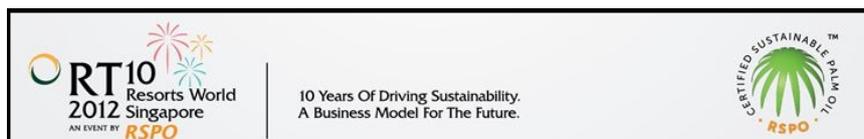
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RSPO Membership

The Independent Smallholder Group/Group Manager need to be a RSPO member to be Certified.

1. Apply to become a RSPO member.
2. Hard to convince that No RSPO membership - No Audit!
3. Group Manager applied for membership.
4. Financing the membership was through contribution from group members.



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Certification Unit and Certified Palm Product

The Certification Unit:

Group Manager (*sometime can be a group management committee*)

FFB produced by the Group Members is Certified.

(However, for the Sales and Trading of Certified Sustainable Palm oil, FFB converted to CSPO and CSPK tonnage). Conversion rate (OER) was required.



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Assessment Process

1. Public Stakeholder Notification (RSPO, CB and local notice board).
2. Document Review prior to assessment – translation required.
3. Sample of group members was assessed. Full data of the group and group members required prior to on-site assessment for desk top review and sampling of farmers.
4. Onsite – Assessed Group Manager, ICS, Group Structure, Group Members, Field visit, Document Review, Stakeholder Consultation.
5. Local Auditors and Translators for foreign auditor were used.
6. Logistic arrangement by CB and timekeeping was very challenging due to distribution of the plots.



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Challenges in getting accurate OER for the Independent Smallholders

1. Group Members have documents to show the OER given by the mill.
2. Generally lower than actual OER at the mill.
3. No full access to mill information because mill is not in the scope.
4. Consultation with mill marketing representative.
5. National OER reference. It was difficult to get reliable National OER information.
6. Only documented OER figures was on the weighbridge ticket and invoice.



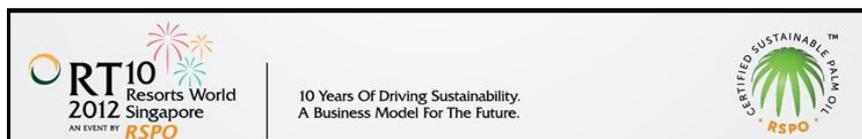
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Document Audit and Interview with Farmers

1. Noted that Independent Smallholder Group need external Support in preparing documents required to fulfil RSPO requirement. This is done prior to certification assessment by external organisation.
2. Beside External Organisation, support from partnering mill (mill that purchase FFB from majority of the group members) and government agency was given to the group prior to the assessment.
3. Education level and Experience – we met traditional real-life farmers with more than 30 years of farming experience, family members helping indirectly and their friends who are working in the farm.
4. Children help the parents to update the farm records.



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Group Structure and ICS

1. Independent Smallholder Structure – Group Management elected from group members i.e. Chairman, Vice Chairman, Treasurer etc.
2. Small in size, scattered and fully managed by the farmers.
3. No Group Marketing during the initial audit. Might need guidance to organise group marketing.
4. Computerised data base of all farmers i.e. tracking land ownership, plot size, production, farm activities, internal audit, FFB sales records etc.
5. Partnering mill gives IT support and office to manage the data base and ICS documents.
6. FFB Supply chain traceability stops at the mill. Mill takes up the traceability records from the mill onward.



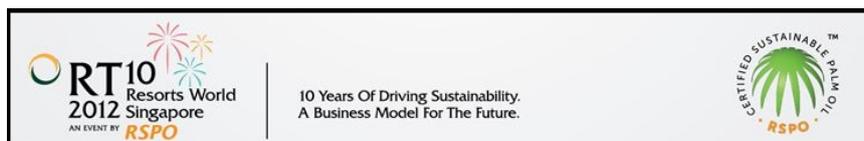
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Challenges for the Farmers

1. GreenPalm Book & Claim System: Registration, trading and communication. Group manager need training on how the GreenPalm Book & Claim System will work for them. Guidance for the Independent Smallholders will be helpful.
2. RSPO Annual Communication of Progress – Reporting in English will be difficult for the farmer group. Local language is preferred.
3. Language constraints: Group Manager and ICS Administrator use only local language. The registration process and trading will be a challenging task for the Group unless assisted by external support. Reference documents in local language will be helpful for the farmer group.
i.e. Training on GreenPalm and RSPO IT System to Group Manager.



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Step Forward

1. There should be pilot test audit in other countries as well to test the Standards. There will be new structure, issues and experience.
2. Support from external resources are crucial in bringing Independent Smallholders into RSPO Certification mainly on developing records and maintaining the system.
3. Need to make clear how the Independent Smallholders will be benefitted by producing Certified FFB. This was frequently asked by farmers.
4. Easy Guidance on the GreenPalm Book & Claim Trading System for the Independent Smallholders Group Management/Group Manager in local language.

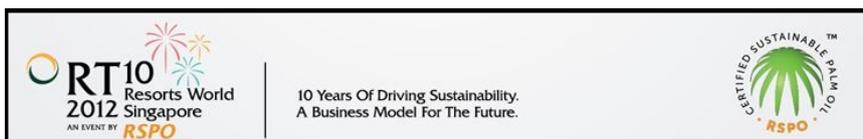


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Thank You



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