



Opportunities and challenges of RSPO oil palm development in Latin America

RSPO – RT10
Preparatory Cluster 3: New Frontiers and Emerging Markets

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LATIN AMERICA



MEXICO, CUBA, HAITI, DOMINICAN REPUBLIC, PUERTO RICO, JAMAICA, HONDURAS, GUATEMALA, NICARAGUA, EL SALVADOR, COSTA RICA, PANAMA, ECUADOR, PERU, COLOMBIA, VENEZUELA, TRINIDAD AND TOBAGO, GUYANA, SURINAME, BRAZIL, BOLIVIA, CHILE, PARAGUAY, ARGENTINA, URUGUAY

LATIN AMERICA PALM OIL IN WORLD CONTEXT

- Production in Latin America
 - 2.8 millions of CPO
 - 5.5% of world production
- Planted area
 - About 1 million hectares of mature palms
- Number of countries
 - 12 countries: Costa Rica, Dominican Rep, Guatemala, Honduras, Mexico, Nicaragua, Panama, Brazil, Colombia, Ecuador, Peru and Venezuela
- Balance
 - Latin america is a net importer of Palm Oil

LATIN AMERICA PALM OIL IN WORLD CONTEXT

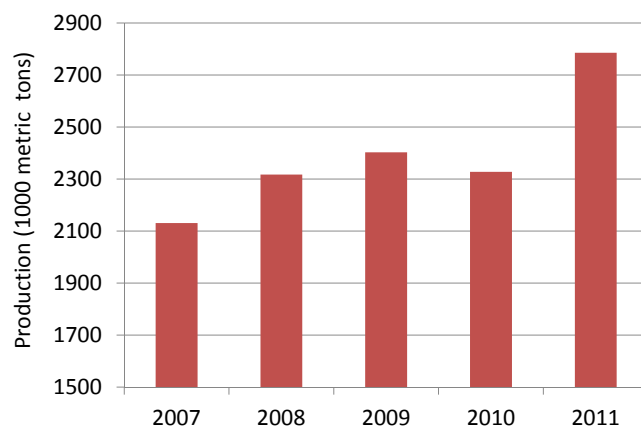
- Production per country

Country	Production in 2011 (1000 mt)
Colombia	941.4
Ecuador	495
Honduras	320
Brazil	270
Costa Rica	250
Guatemala	248
Mexico	73
Venezuela	60
Dominican Rep	44
Peru	43
Panama	28
Nicaragua	13
Total	2785.4

Source: Oil World

LATIN AMERICA PALM OIL IN WORLD CONTEXT

- Evolution of CPO production in Latin America



Source: Oil World

RSPO IN LATIN AMERICA CONTEXT

- Production around 155 thousands tons of CSPO (Brazil and Colombia)
- Modest participation on RSPO (currently 33 members in 9 countries)
 - 14 Producers (Growers)
 - 15 Consumers
 - 12 Processors/Refiners; 3 Good Manufacturers
 - 4 Organizations
 - 1 certification body, 1 FFA distributor, 1 Consulting Company, 1 chemical industry

RSPO IN LATIN AMERICA CONTEXT

- Modest participation on RSPO (currently 33 members in 9 countries)
 - Zero retailers
 - Zero Banks
 - Zero NGOs
 - 7 HCV assessors
 - 1 approved National Interpretation Process



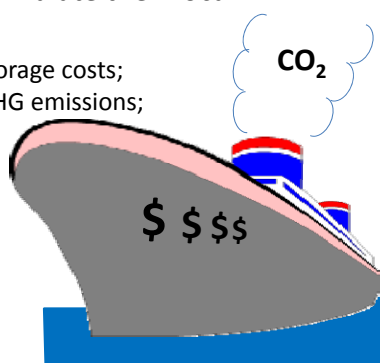
OPPORTUNITIES TO RSPO IN LATIN AMERICA

- Supply and demand for CSPO in the next few years
 - 14 Growers as members and 15 Consumer companies
 - Many multi national companies, members of RSPO, that operate with palm oil in Latin America
 - Several International NGOs and Banks that operates in Latin America (support from them)



OPPORTUNITIES TO RSPO IN LATIN AMERICA

- Supply and demand for CSPO in the next few years
 - There is no reason to believe that such companies will decide to import CSPO instead stimulate their local suppliers obtaining certification.
 - more transportation costs; more storage costs; more delivery uncertainty; more GHG emissions; more importation taxes



OPPORTUNITIES TO RSPO IN LATIN AMERICA

- Exportation to USA, CANADA and EU
 - USA and CANADA imported more than 1.1 million tons of CPO in 2011 (oil world)
- Pressure and support from
 - Banks
 - NGOs
 - Affiliates
 - HCV assessors
 - National Interpretation Processes

CHALLENGES TO RSPO OIL PALM DEVELOPMENT IN LATIN AMERICA

- Increasing RSPO certified production and number of grower members
- Engaging NGOs, Banks and Governments
 - Sustainable palm week in Brazil (promoted by Imazon with support from RSPO)
- Harmonizing the sourcing policies of multinational companies
- Increasing the HCV assessors and Certification Bodies
- Engaging smallholders in the process