

RT 16 – Tough challenges ahead

Annual Roundtable Conference on Sustainable Palm Oil (RT16) was held in Kota Kinabalu from 12 – 15 November 2018 at The Magellan Sutera Resort. Over 850 representatives from the global palm oil industry were in attendance. It was a glitzy event beginning with a welcome by the Murut headhunters and their Magunatip warrior dance.

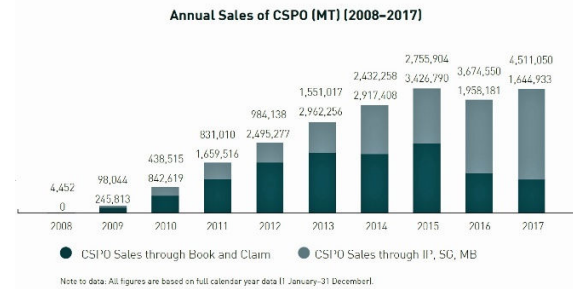


The conference theme “A Renewed Commitment to Achieving Market Transformation” was apt as RSPO Chief Executive Officer, Datuk Darrel Webber in his welcome address spoke about the need for a revolution.



The RSPO Impacts Brochure 2018 given to delegates showed that in the last four years sales of CSPO is stagnating while there is increasing interest in sourcing physical CSPO. The underlying slow growth is worrying many, particularly the growers. The brochure states, “However, market commitment and uptake of

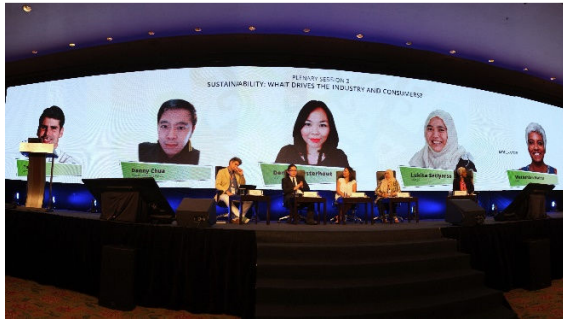
CSPO will remain the defining factor when it comes to incentivising the adoption of the RSPO P&C in the near to medium term. This is critical in the case of emerging markets where most of the world’s palm oil is consumed.”



Professor Kai Chan, University of British Columbia provided the opening keynote address. Many women took out their handphones to take a photo of this dashing personality who originally hailed from Malaysia.



The new Principles & Criteria (P&C) 2018 standard was explained and discussed. It will halt deforestation, protect peatlands and strengthen human & labour rights. An important and new element is ‘Shared Responsibility’ where a number of criteria in the P&C are indicated to be applicable to the entire supply chain. During the conference many speakers used the term ‘Shared Responsibility’ in a wider context to include responsibility for increasing CSPO uptake. Although NGOs were present in full force, the absence of corporate leaders, in particular from FCMGs was noticed.




The above Plenary Session 3 – Sustainability: What Drives the Industry and Consumers? was considered to be a key session. Observers noted the absence of any FMCGs representative on the panel to make the discussions meaningful. The audience was always treading carefully, almost invariably saying at the start, “This is a personal question or remark.” The Iceland video was referred to by the moderator as ‘the video.’ Delegates were less than satisfied.



Fortunately Datuk Carl Bek-Nielsen, co-chair of RSPO and chief executive director, United Plantations Berhad was to the point in his closing address. Some described his address as motivational. Others viewed his message as an early indicator of potential danger or failure.

...Canary in the coal mine ...



- I] Shared responsibility → narrow the gap between supply and demand @ 65% uptake !!!
- II] Smallholders < 1.5% of RSPO palm today
- III] SDGs- leaving no one behind.....pursuing the strictest environmental & social standards risk eliminating 60-70% of growers
- IV] the RSPO risks becoming a niche certification.....and will not become the norm

Clearly he has taken the wider view on ‘Shared Responsibility’, not forgotten the small holders, emphasized on SDGs and warns that RSPO might become a niche certification rather than the norm.



The General Assembly (GA) 15 voted in the new Principles and Criteria for the Production of Sustainable Palm Oil (2018) with a majority of 212 of a total of 251 votes.

In November 2019 a RSPO Smallholder Standard to support greater inclusion of smallholders via a simplification of the RSPO Standard will be due for ratification.

Qua Kiat Seng 19 November 2018