Interview iv

“There has been a clear change in smallholder attitude toward more sustainable palm oil production.”

An interview with Charlotte Löhr

Why did you decide to work towards smallholder inclusiveness?

Wilmar recognizes its fundamental role in the sustainable transformation of the palm oil industry. Five years ago we launched a “No Deforestation, No Development on Peat and No Exploitation” (NDPE) policy, with a requirement to include smallholders in our global supply chain.

In Wilmar, smallholder inclusiveness refers to providing smallholders with market access, and not excluding them from our supply chain. Second, Wilmar recognizes that a lack of information leads to unsustainable practices, including deforestation and human rights violations. Many small-scale farmers close to our mills who suffer from low yields think that unsustainable practices are the only way to compete against the bigger players. Therefore, Wilmar supports smallholders by including them in our supply chain, providing market information, and helping them to adopt sustainable practices through various training programmes we rolled out globally. We hope that this will ultimately lead to improved livelihoods in a sustainable way.

Most reports of unsustainable oil palm practices are from Indonesia and Malaysia. Production is now growing rapidly in Central America; the region is becoming an important supplier for the European market, where Wilmar Europe is a significant buyer. So in order to prevent smallholders using unsustainable practices here, we are thinking and getting ahead of the game...

Charlotte Löhr work at Wilmar Europe Holdings B.V.
How have you put these commitments into practice?

Two capacity-building programmes were established: the Wilmar Smallholders Support Honduras (WISSH) and the Wilmar Small Growers Support Colombia (WISSCo). The aim is to train smallholders (<50 ha) and small-scale growers (50–500 ha) to improve production practices while respecting the environment. This would benefit both farmers and mill owners through compliance with international sustainability market requirements and potential increases in production.

The WISSH programme started in 2016 in partnership with AIPAH (Asociación Industrial de Productores de Aceite de Palma de Honduras), using the train-the-trainer method. Each mill assigned 5–6 supervisors (50 in total) to receive extensive training. Afterward, the supervisors trained 3,300 smallholders in 488 separate training sessions. Topics included the need for zero deforestation following Wilmar’s NDPE policy, good environmental and agricultural practices, improved business skills, social responsibility, pest and disease control, and monitoring. Sessions used a range of techniques, including role play and visualization exercises, complemented by a training manual.

The WISSCo capacity building programme started in 2017 in partnership with the Sustainable Trade Platform chaired by Solidaridad. The goal of training 261 producers in Los Llanos Orientales was exceeded by 267%, with 691 individuals eventually benefitting from training. Although only 117 participated in three or more training sessions (out of five), a survey found that more than 96% applied the acquired knowledge on their plantations, saw improvements to yields and quality of life, and wanted the programme to continue.

Also under the WISSH programme, NES Naturaleza undertook 170 assessments to examine how the acquired knowledge was implemented by smallholders. Although considerable progress was observed, no smallholder was able to implement all the sustainable practices learned. Consequently, to improve all the sustainability practices of their full supply base, each mill received an action plan with findings and solutions based on these smallholder assessments. Both programmes ended in October 2018. During the completion event, stakeholders shared experiences and lessons learned, and committed to continue on this sustainability path in the future.
What changes (outside of your immediate control) would help you achieve these aims?

We need to consider the actions and efforts of other stakeholders. In Colombia, the government is involved in promoting sustainable palm oil for the biofuel industry; this could lead to sustainable reforms in the industry, specifically for smallholders. In addition to government, other downstream buyers should be willing and committed to buying sustainable palm oil produced in Central and South America. Often this part of the world is neglected, with the focus still on Malaysia, Indonesia and Africa. If this trend continues, the incentive to transform to more sustainable practices will decrease.

How do you see developments into the future?

Wilmar continues to promote sustainability in the palm oil industry in line with its NDPE policy, and continues to increase the inclusion of smallholders into our supply chain. The two capacity building programmes described here provided significant steps toward more sustainable practices that could lead to certification compliance in the future. Based on the smallholder assessments and participant surveys, a clear change in attitude towards more sustainable palm oil production was seen, and this increasing awareness and mutual respect has helped form more and stronger partnerships.

The lessons learned and positive feedback have also led to scaling up, with a third smallholder programme (WISSCo2) to be launched in 2019 in a different region in Colombia.