Palm Oil Innovation Group

Producer Innovations
Introduction

The Palm Oil Innovation Group (POIG) aims to support the Round Table on Sustainable Palm Oil (RSPO) through building on RSPO standards, and demonstrating innovation in implementing RSPO existing standards as well as additional POIG standards. The POIG Charter builds on RSPO standards by setting out a framework for companies to remove forest destruction, peatland conversion and labour, land and human rights violations from members’ supply chains.

The following producer innovations profiles highlight the sustainability practices of POIG’s founding grower members, Agropalma and DAABON. Amidst the growing debate on responsible palm oil production, these palm oil producers have strived to be leading examples in their sector. Agropalma and DAABON’s active work with POIG is a demonstration of their efforts to raise the bar in palm oil sustainability and delink palm oil production from deforestation and conflict.
Due to the high profitability of oil palm cultivation, there is always a risk that family farms around their operations will abandon critical local food sources such as cassava in favour of oil palm. Agropalma’s family farmer program proactively encourages the maintenance of alternative crops. In 2012, they finalised a long-standing project with a local social NGO which introduced demonstration pilots of a highly effective intercropping system that combines fish farming with other edible crops. These pilots inspired and were copied by other families. A main driver of this project was that smallholders working with Agropalma who have always had access to lands not used for oil palm, could continue to freely engage in the cultivation activities of their choice in a more optimal manner. The majority of them farm cassava, maize, rice, beans, Açaí, pepper, cattle, chicken, pig, and fruits.

For more information visit: www.agropalma.com.br
DAABON is a family owned and managed company, built on the passion and commitment of three generations of the Davila-Abondano family. Its headquarters are located in Santa Marta, Colombia and its plantations are spread within the Magdalena, Cesar, Guajira, Bolivar and Santander Departments. In 2001, they successfully supported the creation of the first palm oil Alianza (co-operative) in Colombia that included 167 families. In 2007, DAABON helped these families to achieve organic certification, which has been of great benefit to them, as they are able to reduce their production costs and achieve organic premiums. It has also been beneficial to DAABON, as they are able to increase their supply of certified organic palm oil.

### Producing Sustainable and Organic Palm Oil

DAABON was the first company to be RSPO certified in Latin America, and all of their own plantations, providers and smallholders have achieved RSPO certification. Their own plantations and their providers are also fully certified by Rainforest Alliance. Through their integrated operations, they are one of the only global suppliers of organic and fully Identity Preserved crude palm oil, palm kernel oil, translucent and opaque organic soap base, margarine and shortening. Since not all land is suitable for organic agriculture, physical expansion is complex, and they prioritise the maximization of production yield to grow their company and overall competitiveness. DAABON has never done any primary forest clearance in order to create new agricultural developments.

### Community Development and Social Responsibility

Workers at DAABON earn a wage that on average exceeds the Colombian minimum monthly wage of COP 620,000 (USD320) by 30%. Wages consist of a basic rate plus a premium per ton of fruit collected. DAABON’s Corporate Social Responsibility strategy focuses on working with adolescents from the Alianza families on entrepreneurship, capacity building, and business diversification in order to enable the community to develop business plans and receive no-interest funding for their development.

### Resources Use and Integration

DAABON has been a pioneer in the use of sub products from agricultural management. In 2011, their Methane Capture project was able to produce enough energy to recede from the national grid, and since 2000, most of the soil management programme focuses on industrial production of compost – that accounts for 1500 ton/month.

For more information visit: [www.daabon.com](http://www.daabon.com)