



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.



Agropalma is a vertically integrated palm oil producer operating in Pará state in Northern Brazil, and a leading example for innovative sustainable practices in palm oil production in Latin America. In 2004, they became the first Brazilian company to join the Roundtable on Sustainable Palm Oil, and in 2011, the first to achieve 100% RSPO certification for all estates. In addition, 6.6% of their palm oil is organic and EcoSocial (fair trade) certified.



Agropalma's work in conservation

Agropalma's operations encompass approximately 107,000 ha of land, of which 64,000 ha are environmental preservation areas. To protect the unique natural heritage of the Amazon, Brazilian legislation requires that at least 50% of titled land be set aside for conservation. At Agropalma, they have decided to go even further, setting aside 1.6 hectares for each hectare of developed land. In addition, they are implementing an ambitious project to not only conserve, but also to promote the regeneration of flora and fauna in the area.

Community Development and Social Responsibility

The plantations are surrounded by 27 small villages, where many of their 5,000 employees, family farmers and suppliers reside. Agropalma plays a critical role for the local economy and development of these communities, actively working to build capacity with their suppliers so that they are able to run viable businesses independent of Agropalma.

Entry-level wages are typically 2.5-3% above the Brazilian minimum wage and all employees are offered optional full meals at a highly discounted rate. They also provide subsidized housing in three Agropalma villages to around 1,000 employees as well as educational opportunities for dependents via the Agropalma School. The attractiveness of the working environment is reflected in their very low employee turnover, which has remained at around 3% from 2010 to 2013.



Photo credits: Agropalma



Food Security

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



Santa Marta, Colombia

POIG - Producer Innovations

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.



Photo credits: DAABON

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

