Particulars

About Your Organisation

1.1 Name of your organization
Agricultural Industries Confederation Limited

1.2 What is/are the primary activity(ies) or product(s) of your organization?
- [ ] Grower
- [ ] Processor and/or Trader
- [ ] Consumer Goods Manufacturer
- [ ] Retailer and/or Wholesaler
- [ ] Bank and/or Investor
- [ ] Social and/or Development NGO
- [ ] Environmental and/or Conservation NGO
- [✓] Supply Chain Associate
- [✓] Affiliate

1.3 Membership number
8-0209-18-000-00

1.4 Membership category
Associations

1.5 Membership sector
Affiliate
Affiliate

1. Operational Profile

1.1 What are the main activities of your organisation?
AIC is a trade body based in the UK that represents the agri-supply industry in the area of political lobbying, technical information, trade assurance, conference and events.

1.2 Does your organisation use and/or sell any palm oil?
No

1.3 Activities undertaken to promote sustainable palm oil, the RSPO and/or members in the reporting period.
Setting up of a system to purchase RSPO Credits on behalf of AIC members to promote the use of sustainable palm oil in the animal feed sector.

1.4 What percentage of your organisation’s overall activities focus on palm oil?
2%

1.5 Did members of your staff participate in RSPO working and/or taskforce groups in the reporting period?
No

1.6 Do you have any collaborations with the industry players/private sector to support them in the market transformation towards CSPO?
Yes

1.7 How is your work on palm oil funded?
AIC membership fees fund information provision and the operation of the RSPO Credit purchase scheme.

2. Actions for Next Reporting Period

2.1 Outline activities that you will take in the coming year to promote sustainable palm oil along the supply chain.
AIC will launch its RSPO Credit purchase scheme to members of AIC feed sector and encourage its use among members to build the use of CSPO within animal feed supply chains.
Develop the knowledge and awareness of sustainable palm oil within the animal feed sector via website updates and information sent to members.

3. Challenges
3.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

☐ Awareness of RSPO in the market
☐ Difficulties in the certification process
☐ Certification of smallholders
☐ Competition with non-RSPO members
☐ High costs in achieving or adhering to certification
☐ Human rights issues
☐ Insufficient demand for RSPO-certified palm oil
☐ Low usage of palm oil
☐ Reputation of palm oil in the market
☐ Reputation of RSPO in the market
☐ Supply issues
☐ Traceability issues
☐ Others

Other:

Áâu 2017 when GreenPalm became RSPO credits, the majority of animal feed manufacturers in the UK decided to no longer purchase RSPO credit certificates to cover their use of palm oil and palm kernel oil, as they are unable to pass down the RSPO credit claim and sell certified product to their customers without becoming RSPO members, an onerous step for them. Thus far only one blender and two animal feed manufacturers that are members of the AIC have joined the RSPO, which means that the percentage sustainable palm oil being purchased by the sector is likely to have recently reduced. The current challenge is still around the lack of focus on palm oil, which makes up a very small proportion of the products used by the industry (estimated at around 0.33%). This is exacerbated by the fact that many feed manufacturers purchase a blended oil which reduces the visibility of the palm oil itself. We also know from interviews with feed companies that some oil is imported directly to manufacturers from European suppliers, and is not included in the refinery figures of total imports, possibly due to convenience and price. AIC estimates that palm oil included in blended fats for animal feed totals around 40-50,000 tonnes of palm oil per annum. Most palm oil is used in fat blends for ruminants along with PFAD and mixed soft acids. The AIC estimates PFAD usage at around 16-20,000 tonnes. The animal feed sector is also a large user of palm kernel meal, which is not included in the headline figures in this report on palm oil and palm kernel oil usage. Imports of palm kernel meal in the UK accounted for 438,000 mt in 2017, compared to 455,000 mt in 2016, 382,000 in 2015, and 663,300 mt in 2009, according to FEDIOL data. According to the Defra report (2011), in 2009 over 80% of the imported palm kernel meal was used for animal feed, with the remaining 20% going into electricity generation. In 2016 no palm kernel meal was reported to Ofgem as used in electricity generation, but it is unclear how much palm kernel meal was used by the animal feed sector. Nevertheless, it is certain that this significant volume of palm kernel meal will have sustainability impacts that should be addressed in future work. Excerpt from UK Roundtable on Sourcing Sustainable Palm Oil November 2018, Efeca

Once the AIC RSPO Credits purchasing system is live – currently waiting for HMRC to confirm tax arrangements, animal feed businesses will have another process by which they can support CSPO procurement.

3.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

☐ Engagement with business partners or consumers on the use of CSPO
☐ Engagement with government agencies
☐ Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
☐ Promotion of physical CSPO
☐ Providing funding or support for CSPO development efforts
☐ Research & Development support
☐ Stakeholder engagement
☐ Others
Other:

AIC attend the UK Roundtable on Sourcing Sustainable Palm Oil

3.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)