

Minutes of Meeting #4 Medium Grower Task Force (MGTF) Meeting

Date: 1 April 2021 (Thursday)

Time: 08.00 PM to 10.00 PM GMT +8 (KL time)

Venue: Zoom Meeting

No	Name	Initial	Constituency	Organisation
1	Yunita Widiastuti	YW	Supply Chain	Cargill Tropical Palm
2	Franklin Jackson	FJ	Grower (Africa) Expert	Local Farm Incorporated – Non RSPO Member
3	Dr. Marcus Colchester	MC	Social NGO	FPP
4	Michael Guindon (Co-Chair)	MG	Environmental NGO	WWF Singapore
5	Ian Orrel	IO	SH Standing Committee	NBPOL
6	Hiew Koh Thien	HKT	Grower (Malaysia)	N.Y. Hiew (Holdings) Sdn Bhd
7	Dede Herland	DH	Secretariat	RSPO
8	Elikplim Dziwornu Agbitor	EL	Secretariat	RSPO

Absent with Apology

No	Name	Initial	Constituency	Organisation
1	Alejandra Rueda	AR	Grower (Latam)	FEDE Palma
2	Julia Majail	JM	Secretariat	RSPO
3	Francisco Naranjo	FN	Secretariat	RSPO

AGENDA

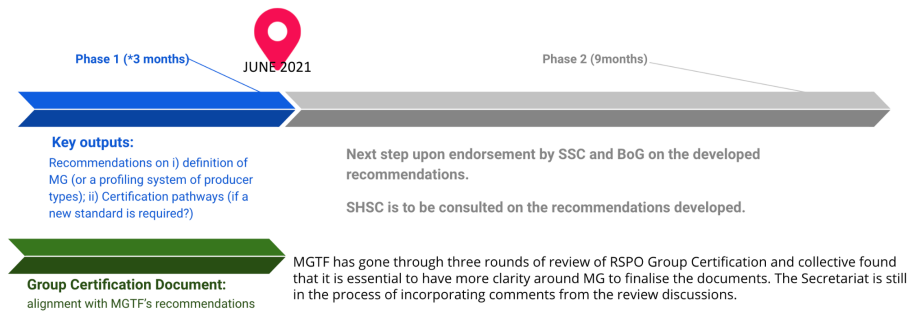
No	Item
1	Opening 1.1 RSPO Antitrust Guidelines 1.2 RSPO consensus-based decision making 1.3 Acceptance of Agenda
2	Updates 2.1 Decision making of MGTF (SSC ENDORSED) 2.2 Recap of MGTF Progress and Status
3	Acceptance of previous minutes of meetings & discussion notes 3.1 Minutes of meeting #1, 13 Jul 2020 3.2 Discussion Notes, 27 July & 5 Oct 2020 3.3 Minutes of meeting #2, 15 Sept 2020 (quorum achieved) 3.4 Minutes of meeting #3, 13 Nov 2020
4	Discussion: Profiling System/Definition of Medium Grower
5	Discussion: Certification path for Medium Grower etc
6	AOB

No	Description	Action Items
1.0	Opening, Updates and Acceptance of previous minutes of meetings MG (The Chairperson) welcomed everyone and noted that the meeting achieved full quorum to proceed with decision making. Members of MGTF are reminded of the RSPO Antitrust Guideline and the practices of consensus-based decision making.	The Secretariat to insert a summary of interim pathway into Minutes of meeting #1.

MG informed that the SSC agreed to grant the MGTF the quorum exemption requested for a duration of 6 months (until the end of June). The quorum exemption requested is to have one representative from three of the four stakeholder groups present.

MG then provided a summary of the progress of MGTF and highlighted the two key deliverables aimed on June this year (2021):

- 1) Recommendations to the Smallholder Standing Committee for (any) changes to the applicability of the RISS based on the results of the palm oil producer profiling system (specifically, the definition of medium-sized grower); and
- 2) Recommendations to the SSC and BoG the certification system and/or path for medium-sized growers.

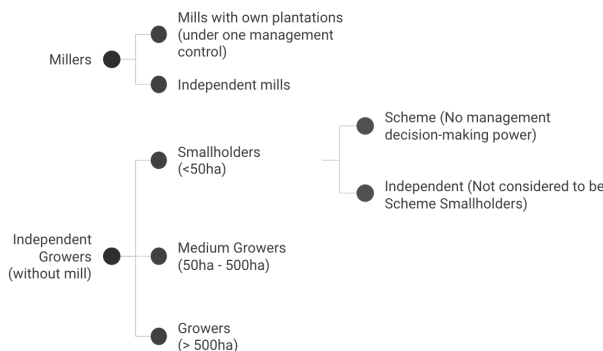


The MGTF made slight edits on all 3 minutes of meetings and proceeded with acceptance of all. The MGTF collectively agreed that the discussion notes surrounding the revision of the Group Certification Document are not necessary to be posted on the RSPO website. The Secretariat is to upload all adopted minutes of meeting (3 minutes) onto the RSPO Website.

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2.0 Discussion: Profiling System/ Definition of Medium Grower

JT presented to the group a short compilation activity done by the Secretariat on all definitions in relation to grower types, captured within relevant RSPO documents.



MG inquired if there is any data within the Secretariat that could indicate how many independent large growers (>500ha) and the potential of them pursuing RSPO certification; and if there is any indication of the range of land extent (500-1000 or larger)? JT responded that there is no such data available.

The group then started to discuss based on a proposal received below:

“Medium growers are land-owners or small businesses with more than 20 ha and less than 500 ha (accumulative), who cultivate and harvest oil palms using hired labour rather than family labour. They may have diverse sources of income including multiple crops, may not reside near their oil palm plantings and may employ administrative staff.”

HKT expressed his opinion that '500 ha' as the ceiling is too huge and recommended it to be capped at 300-400ha. HKT is also in the opinion that there is not a need to provide a specific hectareage definition for large growers. Any independent grower with a land extent larger than 500ha can fulfill the P&C and there is not a need to further define them or provide an alternative route for certification.

EL provided an explanation that the 500ha proposed in the past meeting was drawn from existing RSPO membership rules, which are under the category for oil palm grower for 500ha and more as one of the three sub-category. The P&C covers for the grower with a land extent >500ha; and RSPO Independent Smallholder Standard covers the independent smallholder with a land extent <50ha. The gap remains for small growers, which the land extent falls in between 50ha - 500ha.

MC reminded the group that the logic of the different certification route arrangements for different types of grower is to provide a practical way for small or poor growers (with small areas) to be able to develop and/or produce sustainability. That is why the emphasis is on the growers' own very small land areas, working by themselves (or family) and depending on the land for income. These are the people who are genuinely in need of help.

MC further explained that the concern over medium grower is that medium grower may not necessarily be poor people, and not living on the land, they may be urban people buying the land and/or land speculator. These groups of people may impose higher risk on the environment and people, which we do not want this to come into the RSPO supply chain. Hence, this taskforce is to look at addressing the matter mentioned. The overlap of the land size threshold definition is then proposed. Also, we should provide a space for national interpretation based on the previous study conducted. MC then highlighted the importance of focusing on other elements of the definition and not just the land size threshold.

HKT expressed his opinion that the overlap in the land size threshold is not necessary. HKT is also in an opinion that it is challenging to include 'hired labour' in defining the category of the grower. Example provided is that an old lady, who does not have any children, may need help working on her land which provides the main income to her. HKT believes the task force should keep the requirements simple and full P&C can be made applicable, with a proposed to allow 'stepwise' approach (milestones), just as the RSPO Independent Smallholder Standard. HKT also expressed that any grower with land areas between 200-300ha should be able to comply with the full P&C.

IO followed MC logic but struggled with the land size threshold overlap, mainly due to the confusion of audibility, because there is no clear cut on the different factors within the definition. Labour is a significant factor but the source of income and multi cropping are challenging. The concerns around the challenges in audit as there are a lot of factors (varies hugely across different countries globally based on the profiling study conducted) and we are trying to set global rules around these variances.

MG asked if there is information collected by the Secretariat on the profiling (land size) of existing certified or soon to be certified independent smallholders of RSPO. IO further stressed his discomfort for MGTF revisiting the years of work and efforts by respective groups working on independent smallholders standards and requirements (i.e., SHIG, SHTF, SHSC). MG further added that the years of efforts and works are to be respected and any changes to smallholders (proposed) by MGTF are to be in consultation with the Smallholder Standing Committee (SHSC).

MG also raised that there are a lot of concerns, particularly from the NGO caucus, on the land size threshold of 50ha with no other conditions around labour and income sources.

MG further raised the question to IO (based on her perspective) what are the challenges and feasibility of existing independent smallholder standards should the land size threshold be narrowed down?

As stated within the Resolution GA16-6f calling for adoption of the Independent Smallholder Standard, an independent review required to assess the feasibility of the standard on a yearly basis. However the review did not take off mainly due to the delay of uptake caused by the pandemic.

IO explained that based on his long experiences working with mainly small smallholders, the land size is often around 20-35ha. However there are a lot of tense debates within the respective committee (i.e., SHIG, SHSC), the argument had pushed it to the accumulation of 50ha. In Latin America, there is a strong push for a higher threshold.

FJ expressed his concern over the inclusion of multi-cropping, which confusion arises from if the non oil palm farm is to be certified and which standard and requirements are to be applied? Also if there are mis-management or practices attached to the non palm oil farm, how do these affect the palm oil farm? MG clarified that the multiple crops factor is more related to income sources factor as how it is to be associated within the definition. FJ further added the concern of the multi-cropping also on farms practicing inter-farming. JT explained that the multiple crop factor does not bring in to impose RSPO Standard onto non oil palm planted areas. It is more to assess the status or the eligibility of the farmer to apply the respective RSPO palm standard based on the total land holding.

MG highlighted that a comprehensive study on the implementation of Independent Smallholder Standard (RISS) is important and crucial for the formulation of the definition. It is challenging for the group to agree on the definition without more supporting data relating to land size, hired labour and source of income. JT proposed if an interim measure can be developed, to minimise any conflicting factor to existing definition and standard?

MG further inquired that if the MGTG developed an interim definition, would it mean the proposed certification pathway is an interim pathway, which is subject for revision alongside with P&C and RISS revision? JT responded that not necessary, the certification pathway could be fixed as agreed and deemed practical.

MC raised his concern over the potential environmental risk (deforestation) of small to medium growers, which is often challenging to monitor. It leads to the potential reputation risks of RSPO and its supply chain. This is the reason we have to be more cautious and careful in defining a medium grower.

HKT expressed his concern of the potential risk of losing more growers due to the challenges lying within the audit feasibility (with the inclusion of various factors in defining the grower category) and the confusion around the changing definitions. MG expressed that the intention of definition is to find a place to cater to all growers.

The group feels that the challenges lie in understanding where small growers with a land size of 20-50ha with hired labour should fall. MG feels that the involvement of representatives from SHSC is crucial in this discussion.

YW feels that the definition from National Interpretation should be respected. While for medium grower, we could use the generic definition of 50ha and beyond, which in respect of the definition is arranged within respective National Interpretation. However, it needs to be clear if the hectare requirement is meant as accumulative or not. YW also feels that other key RSPO requirements (such as no deforestation, respecting human rights) should be extended to non-palm areas of a grower.

	<p>MG mentioned that the suggestion is a valid point, but it is beyond the mandate of the MGTF. The point mentioned may be something to be considered in the next standard review process. MG inquired and JT responded (YW and IO confirmed) that under the Independent Smallholder Standard the land size threshold is based on accumulative and regardless of land use (the crop planted) in any jurisdiction.</p> <p>The suggested next step would be for the MGTF to have a discussion with co chairs of SHSC on the overlap (20-50ha for MG; and <50ha for ISH). MC and IO further confirmed that the definition of Smallholder remained unchanged since P&C (2007):</p> <p>“Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50ha in size.”</p> <p>MC then proposed that, to allow progress, the definition to be:</p> <p>“Medium growers are land-owners or small businesses with more than 50 ha and less than 500 ha (accumulative), who cultivate and harvest oil palms using hired labour rather than family labour. They may have diverse sources of income including multiple crops, may not reside near their oil palm plantings and may employ administrative staff.”</p> <p>National interpretation for the definition is encouraged and the definition is subject for review alongside P&C and RISS reviews.</p> <p>IO expressed that he is comfortable with the proposed definition, although concerns around the factor of income sources and multicrop remained. At least the overlap in the land size threshold is much more manageable. IO inquired if we removed the overlap in the land size, is the income source and multicrop still relevant.</p> <p>MC inquired if the ‘cumulative’ rule should be only applied to ISH or it should be both. MC and IO both agreed that ‘cumulative’ should be applied for both ISH and MG. YW and HKT are also agreeable to the proposed definition.</p> <p>In the interest of moving forward, MC proposed to adopt the above definition, as interim, until we have more data and information. The MGTF collectively agreed to the above definition for MG. JT further seeks and obtained confirmation from the MGTF that the understanding of growers with land size larger than 500ha, will then by default be defined as growers.</p>	
<p>3.0</p>	<p>Discussion: Certification path for Medium Grower</p> <p>JT provided a brief on two certification path options: 1) new standard and 2) chapter three of group certification (provide specific guidance to group managers and individual members of the group for compliance to respective indicators of P&C).</p> <p>HKT proposed to look at developing a stepwise approach for the medium grower based on P&C. MG inquired if the developed certification path for Medium Grower is to go with Chapter 3 of the group certification, if it is to be a standalone document from the group certification document? JT responded that it could do either way.</p> <p>The MGTF collectively agreed that a standalone standard is not necessary at this stage (interim). However with more data and information made available (over the review process) the option of a standalone standard may be considered.</p> <p>The MGTF collectively feels more understanding of the nature/mechanism of chapter 3 of the group certification for further discussion. MG further suggested that it will be useful (if positioned for the Secretariat) to provide a brief understanding on the process and pros</p>	<p>RSPO Secretariat to send a doodle poll for the next MGTF meeting.</p>

	<p>and cons of the two options: 1) Chapter 3 and 2) Stepwise. YW suggested that MG could just follow the P&C.</p> <p>MG concluded the meeting and informed the members that he will work with the RSPO Secretariat to schedule a follow-up meeting to discuss specific on this matter.</p>	
6.0	Meeting Adjourned 10:05pm	