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In a Malaysian Village, Sustainable Palm Oil Certification Brings Guaranteed Markets

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In East Sabah, just 88km from Sandakan in the Beluran region, lies the village of Toning. It's home to a group of independent palm oil smallholders, united by a mill, and the "SPOTS" ([Sustainable Palm Oil and Traceability with Sabah Small Producers](#)) programme. Established in 2015 through collaboration with WAGS ([Wild Asia Group Scheme](#)), SPOTS aims at integrating small Malaysian producers within global supply chains for promoting traceability, certification, and sustainability, in line with RSPO standards.

A direct route to big brands

Within Toniting, this joint supply chain scheme gives smallholders the opportunity to achieve certification and sustainability through the Wilmar International Limited supply base, which in turn contributes to the certified sustainable palm oil (CSPO) supply chain of L'Oréal, Clariant and The Global Amines Company.

Rare benefits

While some of the local farmers are still in the process of familiarising with the specifics of the SPOTS programme, what they do know is, since its inception they have a guaranteed market for their fruit, certain privileges at the mill, and a small premium per tonne. They don't need to queue and they can take waste products (decanter cake and empty fruit bunches) to use as fertiliser.

What's pleasing is that for the farmers in this area, being or becoming certified is often synonymous with SPOTS. Many of the local growers talk about the attraction of learning to manage their farms better, along with other benefits, which they learn through the programme.

Reaping benefits, from higher yields to subsidies

For Tungud Sudin, a leader of the community and of the SPOTS scheme, he too has benefited from the initiative and shares that he's now more confident in selling his fruit.

The 55-year-old father of seven and grandfather of seven, has been growing palm oil since 1992 and became certified in 2012.

Tungud recalls that prior to certification, he didn't keep any records of his yield and used a lot of chemicals on his crops. In contrast, with the help and support of SPOTS, he's since managed to reduce the use of chemicals, increase his yield, use organic waste products from the mill as fertiliser, and also received a government subsidy.

An integral part of the SPOTS programme and its future success is capacity building. Many of the staff are local farmers, like Tungud, who train and support other farmers in becoming certified.

Initial farmers' investment still a barrier

While the perks of the programme are spreading amongst some of the local farmers, others reject the idea of certification when Tungud tries to introduce it to them. He explains that the challenges start because farmers become aware that initially, their running costs will go up on things like the labour costs for tidying and stacking fronds. He also admits that there are still challenges with getting members to work together and do what they're supposed to do.

Getting to 100%

Today, there are 500 smallholders and small growers supported and certified through the SPOTS scheme across Sabah. In the Toniting village, 42 of the 122 farmers are certified, with the goal of 100% of the palm oil to be produced according to RSPO standards, within the Wilmar supply base in the Beluran district, by 2020.

While there is still a way to go and despite the challenges, the shift towards sustainable farming is growing with the help of initiatives like SPOTS. Tungud Sudin sees the bigger picture - believing in the importance of certification, not just for the environment, but for the future of the Toniting village.