

# WISSCo»»2

Empowering Smallholders

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Update July 2019

The Journey to Sustainable Palm Oil supply from Latin America.



## #sharedresponsibility

Transforming the traditional palm oil industry has never been a single man's effort. Although it always starts with the individual, Wilmar Europe has been aware that "shared responsibility" was (and is) key to make a change. With that mindset, the company started various Smallholder programmes in Latin America (Latam) in 2015.

Programmes WISSH and WISSCo, executed between 2016 and 2018, aimed at strengthening sustainability awareness and capabilities amongst the smallholder suppliers. These initiatives also secured compliance with Wilmar's No Deforestation, No Peat and No Exploitation (NDPE) policy.

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### Continuing the Journey

These initial training programmes were completed in Q4 2018. It was during that time that Wilmar already started to prepare for the next significant initiative; WISSCo2.

The partners Olenex, FrieslandCampina and CI Biocosta, were found ready to continue the journey and kick off a new two-year training programme in Colombia. We are now six months down the road, and it is time to provide an update about the status of the project and inform you about the work that has been done so far.

## What is WISSCo2

WISSCo2 is a two-year sustainability training programme targeted to palm oil supply chain in Colombia. It stimulates and helps the local farmer to understand and accept their sustainability challenges. It also supports them in their journey towards the certification standards and compliance. After identifying their challenges and providing them with the necessary technical know-how, the programme gives the smallholder increased awareness about the benefits of sustainable production. It empowers the local smallholder and helps them to improve their quality of life in the process.

## Where is WISSCo2

The second programme deployed in Colombia, is aimed at the smallholders in the north of the country. Geographically located on the Atlantic side, many smallholders conglomerate into two covenants; Magdalena and Cesar. With combined strength, the growers supply their fresh fruit bunches to the five mills related to the Biocosta group. The group exists of the mills: Aceites S.A, Palmaceites S.A, Frupalma S.A, Palmagro S.A and Extractora El Roble S.A.S.

WISSCo2 does not settle for anything less than the best possible result. It means that engaging with these mills, the programme reaches the maximum number of farmers, and it optimises the implementation most effectively. The inclusive approach helps to bring knowledge to the suppliers easier and more effectively.

By engaging with the mills in the Biocosta group and their supply-base, it ensures a significant part of crude palm oil supply for Wilmar and Olenex, complies with the NDPE (No Deforestation, no development on Peatland and no Exploitation of people and communities) policy.

## Implementation & Execution; NES Naturaleza

Both implementation and execution of a training programme are essential for an optimal result. NES Naturaleza (NES) was also the implementation partner in the WISSH and WISSCo smallholder programmes. That partnership has created a firm foundation to extend the partnership into deploying the new initiative in 2019 & 2020. NES fulfils the role of consultant for Wilmar and manage the implementation as well as the execution of the WISSCo2 programme.

## How does WISSCo2 work

The five mills (linked to the Biocosta group) act as a liaison between the mills and the farmers. To execute the programme and reach the maximum results, we use these five building blocks;

1. Training of Trainers Sessions (TOT)
2. Training of Smallholders (TOSH)
3. Create the WISSCo2 handbook
4. Smallholder Surveys
5. Smallholders field Assessment (SHA)

The program initially targeted 600 smallholders. Currently, 437 farmers have enrolled in WISSCo2. The actual engagement was lower due to two main reasons;

1. A (Bud rot) disease has led producers to switch from Palm to Bananas
2. Farmers have stopped delivering Fresh Fruit Bunches (FFB) to the Biocosta mills.

## Training of Trainers (TOT)

Crucial for the success of WISSCo2 is the specific training approach; the concept of “Train the Trainer”. During the first stage, NES trains the liaisons employed by the mills. In the second stage, the liaisons become the trainers and apply what they have learned to the training sessions for the smallholders. Within this program we call these liaisons ‘Supervisors’.

During the two-year period of WISSCo2, we have planned for one TOT every year.

### TOT1

The first TOT training session has completed on January 10 and 11. NES have trained twenty-one (21) supervisors on Leadership, Empowerment, Communication, Management information and Wilmar’s NDPE policy. These supervisors function as peers and are often in the same region, facing the same challenges. The initial training session is not only important for strengthening their skills of sharing information and education, but it also helps to improve the relationships between peers.

Besides ‘just’ reaching the smallholders, the programme has an additional benefit. WISSCo2 multiplies the effect because the mill’s awareness of responsible practices increases significantly.

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- ✓ Leadership
- ✓ Empowerment
- ✓ Communication
- ✓ Management information
- ✓ NDPE

## Training of Smallholders (TOSH)

### TOSH1

The first Smallholder training session has taken place during the period of February 18th to 22nd. Our partner, NES, trained 169 farmers out in the field, while the mill supervisors observed the sessions. This number equals almost 40% of all producers who enlisted in the program.

TOSH1 has aimed at sharing the ground rules of responsible production. That is why it has received the name; "the ABC of Sustainability". It predominantly educates about the essence of Wilmar's NDPE policy.

The idea of a TOSH is to be able to inform the farmers about sustainability topics. These topics also explain why the (mostly) western end consumer demand sustainable palm product. Usually, these demands do not reach the smallholder, which creates confusion and mismatch in local supply. Special training booklets support the programme and demonstrate how to apply sustainable practices at the farm. In addition, the social media platform, Whatsapp, has been deployed as well to catch the (possibly younger) smallholder audience attention for new sustainability topics.

After the first week of NES training sessions, the supervisors were appointed to distribute the information in the next sessions to the remaining farmers (>260). This methodology enabled us to reach 94% of the targeted smallholders.

### TOSH2

The second set of training sessions took place on June 17 to 21. The focus was on how the ecosystem provides economic benefits and raising awareness of the opportunities nature presents. That knowledge enabled the farmers to make use of natural resources such as biological pest control, pollination and soil formation amongst others.

Wilmar's Sustainability Lead Europe, Daphne Hameeteman, visited the TOSH2 sessions to learn and understand more about the impact of the project and smallholder experiences. "By having seen the enthusiasm of the smallholders with my own eyes again, I am even more excited to bring their message across in Europe. Palm oil is good. Sustainably produced palm oil is best!"

In this phase, NES Naturaleza reached out to 257 farmers, representing 59% of the total registered farmers. During the month of July, the supervisors will be training the remainder of the smallholders, completing phase 2 of the training sessions.



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## Smallholder surveys

An essential element of WISSCo2 is the ability to integrate check-points in time. It allows us to verify our progress and the actual impact that we previously anticipated on.

At the start, a survey has been completed by 95 farmers (representing 22% of the total registrants). It allows us to identify their social-economic status, as well as their progress towards NDPE compliance.

## Initial analyses

An initial analysis indicates that 61% of the producers are men, and 39% are women. A further demographic insight showed that 70% have a stable relationship, and 86% have children. A high percentage (61%) are over 50 years old, and more than half (57%) have a professional or technical education. Even 83% have more than 5 years of experience in growing and harvesting oil palm. In addition, the research shows that 59% have additional business activities on top of oil palm.

In terms of technical aspects, 51% of the respondents report having yields exceeding 15 tons FFB/ha, which is below the national average (18 tons FFB/ha). The cause of the lower yield proves to be a disease called 'Bud Rot' and affects 60% of the farmers. The majority of trees in the plantations (81%) have been planted before 2005, and 94% of the producers own their land.

Most respondents (78%) stated that they have some operational procedures for their activities in the field, for example pruning or fertilization procedures. However, during the smallholder assessments (SHA's, see next section), we did not find proof to support this result; hence no procedures were found. We will investigate in more detail during the remainder of the programme.

The most exciting fact from the survey is that all respondents unanimously confirmed profound interest in additional knowledge and opportunity to further improve their sustainable practices.



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## Smallholder Assessments (SHA)

### SHA1

An assessment is a very new experience for smallholders in Latin America. The initial SHA's have taken place in a period of 10 days, between 4~14 March. Overall, we have reached a total of 36 small producers, representing 1.724 hectares of plantations.

The smallholders have been audited on their compliance with Wilmar's NDPE Policy as well as certification standards. The WISSCo2 program includes field assessments, using;

- a) Inquiries,
- b) Observations, and
- c) Inspection of evidence.

After the assessments each smallholder receives an action plan, which makes it easier for them to close the gap between their current sustainability status and the requirements according to the NDPE policies and eventually maybe certification standards.

### Starting point;

On average, this group of 36 farmers scored 49.6% compliance on Major requirements and 37.2% on the minors. Clearly, this score implies lots of room for improvement. However, we need to take into account that these producers had never been evaluated on their sustainable practices before. With the individual action plans, farmers will work on improving their practices, in some cases jointly with the mill.

On top of the individual reports, CI Biocosta also receives a generic summary that outlines the main findings and a general action plan. This report is now a monitoring tool for Biocosta's supplier database as well.

### SHA2

Shortly after our first assessment series, we organised the second period of audits. SHA2 took place, during 19~31 May, working with even a higher number of smallholders (42), owning a total of 792 hectares. A quick calculation has given an average of 18 ha/smallholder.

The second week of audits showed a slightly higher compliance score. The assessments showed a score of 66% on the major requirements while tipping 49% on the minor requirements. Similar to the initial SHA1, the farmers have received an individual report with findings, solutions, and action plans.

Both assessments combined, a total of 78 producers have been visited and verified during the first six months of the project WISSCo2. It corresponds to 18% of the enlisted producers, and represents 27% of the 9.330 registered hectares.

## Future; The coming six months

The plan for the next six months of the WISSCo2 project contains a third assessment period (SHA3) and a third smallholder training session (TOSH3) providing education and workshops about responsible management skills. The ultimate goal is to enable the smallholder to use data from their operations. That enables them to take informed decisions, bringing them closer towards compliance and better profitability of their business.

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