Landscaping Approach to Address Smallholder Issues

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Companies commit themselves to sustainable supply chains and no deforestation

Committed to sustainable and no deforestation supply chains

Companies are criticized for not delivering on their promises yet

EXAMPLES

- P&G
- Unilever
- GROUPE ROCHER
- NESTLE
- McDonald's
- DANONE
- ADM
- FERRERO
- MARS
Principles of some certification systems are in contradiction to companies' commitments

**Are certified companies safe?**

- Possible **suspension** of certificate
- Some systems allow **compensation** for **deforestation** or change cut-off dates. Often not in line with company policies!

**Further risks**

- Retailers and processors require full traceability back to farm/plantations
- Certified operators are allowed to process non-sustainable material. This material may come from unknown sources (unacceptable conditions or illegal)
- **Smallholder expansion** will often go along with increasing **deforestation**
Smallholders are important players. However, it is difficult to certify them and reduce deforestation.

More than 40% of the world's palm oil is produced by smallholders.

Problems and risks:
- Insufficient yield quantity and quality
- Need to produce more to secure their livelihood
- Difficult to identify smallholders and their land

Certification is challenging or impossible as important principles have been violated.

Potential deforestation.
Sustainability and deforestation risks caused by smallholders can be mitigated by implementing the Landscaping Approach

Sustainability and deforestation challenges with smallholder in many cases cannot be tackled by certification only

For sustainable and traceable supply chains companies need to go beyond certification

Landscaping Approach
Landscaping Approach – Certified units could be a major step for rural development and barrier against deforestation

- Act as a role model
- Are an important pillar to support rural development in their region
- Help solving conflicts

- Areas for which certified units take over distinct responsibility
- Areas are within a zone of xy km around their plots

- Is a region where certified units reach out to support smallholders
- Starting point is to find an organisational set up for independent smallholders
Tools like GRAS can contribute to mapping, risk assessments, LUC identification within smallholder areas and to set up an alert system.
The Landscaping Approach should include smallholders which do not comply with certification criteria (e.g. cut-off date for deforestation)

- Identify smallholders for which certification is not possible
- Cooperation with all smallholders required,
  - Provide trainings and capacity building together with local stakeholders
  - Improve quality of yields
  - Increase quantity of yields
- Increase income and reduce future deforestation
Thank you!

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