

# 2011 **RSPO CSPO**

## GROWTH INTERPRETATION NARRATIVE

### **Roundtable on Sustainable Palm Oil**

A Multi-Stakeholder Initiative

Banks and Investors, Consumer Goods Manufacturers,  
Environmental or Nature Conservation Organisations  
(NGOs), Oil Palm Growers, Palm Oil Processors and  
Traders, Retailers, Social or Development  
Organisations (NGOs)

**RSPO**

Roundtable on Sustainable Palm Oil



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# Executive Statement by Darrel Webber, RSPO Secretary General

I welcome those with common interests to our inaugural annual 2011 RSPO CSPO Growth Interpretation Narrative (2011 GIN) - a guide on the palm oil fraternity's sensitivity and influence towards sustainability since RSPO commenced certification in 2008.

## ***Précis:***

There is much data and analysis on Palm Oil as a commodity.

However, very scarce qualitative information available on Certified Sustainable Palm Oil (CSPO). This narrative interprets data and statistics on CSPO and its implications on realizations, challenges, trends and future bearings. It will hopefully guide action and decisions by those concerned globally, nationally and locally. It will also hopefully serve as a response to the caucuses that doubt the strife and exertion of industry players towards a meaningful transformation.

During the process of developing the 2011 GIN, we were confronted with some data issues. While there is significant information about oil palm growers, there is lack of similar details along the rest of the supply-chain. While we have extensive information from GreenPalm's book & claim online trading system, we are lacking data on off-line trades along the mass balance and segregated supply-chain mechanisms. Operational statistics have traditionally been more readily available for the upstream segment, and seems to be the same in sustainability. As such, there are a few information asymmetries. Nevertheless, we see this initiative of the 2011 GIN as an opportunity to improve rigorous data availability and dissemination over time.

It is not uncommon to periodically hear of rumblings of discontent about the RSPO in the national press in key producer countries. Some producers seem to reckon that RSPO standards are possibly the toughest for any agricultural product.

In consumer countries, complaints also abound; about green-washing and non-compliance. Hence, the 2011 GIN also serves as an instrument for self-monitoring and assessment of RSPO and its members' major advances and strides, as well as its vulnerabilities and limitations. By sharing these insights transparently, we hope to alleviate ambiguity and to encourage continued accountability towards our vision.

### ***Supply & Sales:***

Pensively – what has been achieved during the first three years of certification efforts, at the end of 2011? The numbers look immense: nearly 6.9 million mt of annual production capacity of certified product (5.6 and 1.3 million mt of sustainable crude palm oil and palm kernels) from 26.7 million mt of fresh fruit bunches of oil palm, processed in 135 palm oil mills and grown on 1.1 million hectares of land. For palm oil, RSPO certified members' annual production capacity represents some 11% of the 50.6 million mt global production reported by the USDA (Jan 2011/2012).

The 2011 GIN validates that upstream establishments have indeed intensified their production of sustainable palm oil. With a significant increase in sales volume as well. From 2009 to 2011, supply of CSPO has increased by 250% (1,357,511 mt in 2009 to 4,798,512 mt in 2011) while sales volume has grown by over 6 times, approximately 620% (343,857 mt in 2009 to 2,490,526 mt in 2011). According to the narrative, the year on year supply of CSPO in 2011 has increased by 73% reaching 4,798,512 mt compared to 2,773,567 mt in 2010, while year on year sales volume increased by a whopping 94%.

The remarkable surge in supply can be attributed to the rising number of certified growers coming into the fold of RSPO's certification process. While in 2008 RSPO could count 17 certified mills in just two countries (Malaysia and Papua New Guinea), today there are 29 grower companies with 135 certified mills in six countries: Brazil, Colombia, Indonesia, Malaysia, Papua New Guinea, and the Solomon Islands - approximately 8 times increase in certified mills over a 3 year period.



It has been estimated that a total of US\$20.4 million has been paid (as of end Dec 2011) in premium to RSPO certified growers since the first certificates via the Book & Claim (B&C) system under the Green-Palm were traded in 2008. We hope that growers have found this valuable in empowering their transformation to sustainable cultivation practices. Members can also trade via the other supply chain mechanisms i.e. the mass balance and segregated, which are traced via UTZ Certified, a worldwide certification program for responsible production and sourcing of various agricultural products including coffee and palm oil. Of the 4.1 million mt of CSPO sold, 1.3 million MT has been sold via these two mechanisms and about 2.8 million mt or 67% has been sold via B&C.

### ***The RSPO Trademark:***

The RSPO Trademark on consumer goods packaging was launched into the market in the middle of 2011. Within half a year, there have been about 34 licensees approved to consumer goods companies, retailers, processors and traders and growers across 11 countries. The RSPO Trademark offers a well-informed choice for consumers who can now identify and differentiate products that are being sourced sustainably. It offers a seal of commitment on palm-derived product as member companies can now act responsibly to protect the environment, on social causes, and on wildlife conservation.

### ***Membership:***

The membership in RSPO has been expanding and reshaping rather assertively in the past year. At the end of 2011, membership within the consumer goods manufacturer constituency increased by over 60% while the retailers category increased by 50% - both primarily from the European regions which is an affirmative step in accelerating demand of CSPO. The processors & traders category also intensified by over 30% strengthening commitment along the palm oil supply chain, another integral development in transforming the market.

### ***Inaugural review of RSPO's Principles & Criteria:***

We have now arrived at a pivotal point with the first review of the Principles & Criteria (P&C) – five years after its inception. Central to the very mission of the RSPO, the review of the P&C takes on an inclusive approach taking into consideration the many complex dimensions within the palm oil supply chain; diverse stakeholders from upstream to downstream; and widespread geographical territories from South East Asia, Africa and Latin America along the equatorial belt.

### ***Strategic Priorities, moving forward:***

Despite a variety of concerns and developments, the RSPO continues to see vibrant membership growth in digits and from realms stretched far and wide; intensifying production from both major markets and new frontiers; accelerating uptake and pledges; optimistic trademark adoption; and a robust momentum of engagements, initiatives and activities; amongst others. Despite this feat, we are not in denial. We are the first to state and acknowledge that the RSPO, while it has come a long way, requires constant improvement. With these in mind, our strategic pillars for 2012 envelopes three priorities which are indicated towards the end of this narrative.

### ***In conclusion:***

Unequivocally, we have reached a point where global equilibrium is beyond a necessity. Irresolution is not an option – we must be steadfast and continue on this considered path. And we have to take it with absolute, yet humble certitude.

The 2011 GIN shows how far we have come but also defines the long journey ahead of us – although promising. Please let us know if there are any specific areas in which you would like to see covered in the subsequent year's narrative so we can improvise as we move along.

Views and ideas are encouraged in order to shape and define concrete results - only possible through a convergence of minds, hearts and intellect. The RT9 at Sabah, Borneo in 2011 was a clear demonstration of interest from around the world as it witnessed a record high of over 1,000 delegates from all around the world come and participate in discourse and sharing of insights.

The RSPO Executive Board and Secretariat take this opportunity to thank all our members for their contributions and allegiance to our vision. Our thankfulness also to each and every one of you. We hope you will find the 2011 GIN valuable and constructive as a reference point for you.

***“If you want to walk fast, walk alone.  
If you want to go far, walk with others.”***

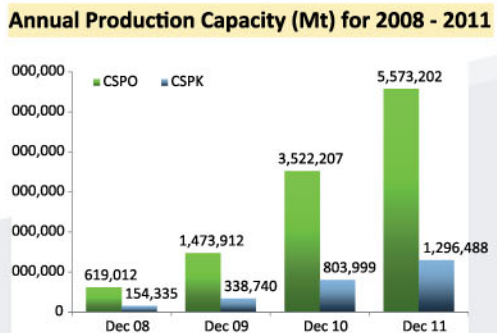
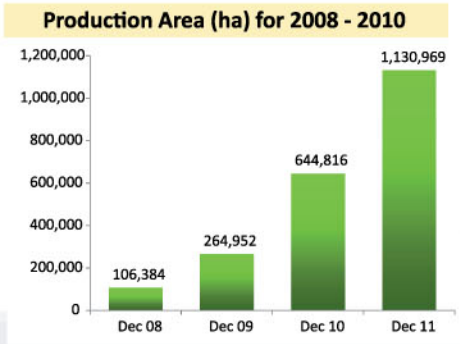
Darrel Webber

# TRENDS IN ANNUAL PRODUCTION CAPACITY OF CERTIFIED SUSTAINABLE PALM OIL

At the end of 2011:

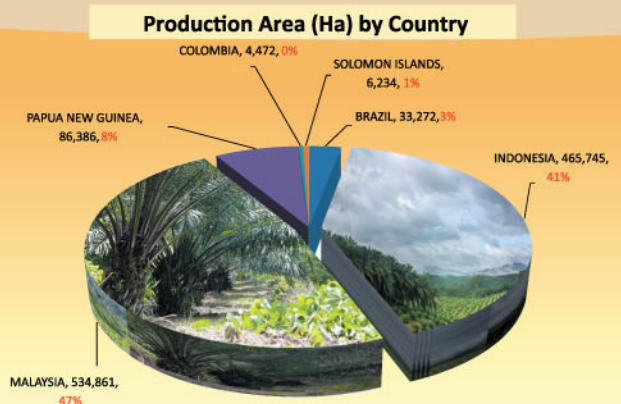
5.6 million mt of CSPO 1.3 million mt of CSPK from 26.7 million mt of fresh fruit bunches (FFB), processed in 135 palm oil mills and grown on 1.1 million ha of production (mature) area.

Broadly, the annual production capacity and area certified has doubled every year, since certification began in 2008. Annual production capacity at end 2009 was 2.4 times of 2008 - 2010 was 2.4 times of 2009 and 2011 was 1.6 times of 2010. After a sharp ramp-up in annual production capacity up to 2010, the growth rate has relatively decelerated in 2011, but it remains at a high level and the growth momentum continues.



By geography, Malaysia and Indonesia dominate with 72 and 50 mills respectively and about 535,000 ha and 466,000 ha respectively; whilst all other countries (Papua New Guinea, Brazil, Solomon Islands and Colombia) have 13 mills and about 130,000ha, accounting for 12% of production area certified.

The producers segment is highly concentrated. The top 10 account for 75% of all certified production capacity. Sime Darby Group has an annual capacity of certified production of about 2 million metric tons, nearly 30% of the total.





The next four producers combined are major contributors of the balance; Wilmar Group (with two entities), IOI Group, and New Britain Palm Oil. The rankings and capacity of certified product is partly a reflection of land bank sizes, as over time, RSPO necessitates 100% or full certification of all mills and their supply bases. However, there is variation in timing of certification; some plantations are more aggressive than others in certification activity and in their pledges. It is a sign of the oil palm producers' support that many of the largest plantation companies in the world are committed members; 45 producers have pledged to an average mid-2014 deadline for full RSPO certification (2011 to 2016 are the more favoured years).

#### Top 10 producers, ranked by production area at end 2011

Name	Country of Origin	Production Area (ha)	Annual production capacity (mt)
Sime Darby Plantation Sdn Bhd	Malaysia	352,564	2,013,207
IOI Group	Malaysia	73,802	496,505
New Britain Palm Oil Ltd	Papua New Guinea	71,444	415,808
Wilmar-PPB Oil Palms Berhad	Singapore	58,252	371,230
Kuala Lumpur Kepong Berhad	Malaysia	51,904	359,689
SIPEF Group	Belgium	50,192	287,056
Wilmar International Ltd	Singapore	45,690	255,616
PT PP London Sumatra Indonesia TBK	Indonesia	40,043	245,541
PT Agrowiratama	Indonesia	36,575	267,915
Agropalma S.A.	Brazil	33,272	170,008
Top 10 - Sub total			4,882,575
All producers - total			6,869,690

Note : \*CSPO+CSPK, metric ton (mt)

#### Contributions of existing and new certified players in 2011:

The RSPO's unit of certification is the palm oil processing mill and its supply base. Now comprising 135 palm oil mills certified, with 58 units and almost 490,000 ha of production area added in 2011 (up from 43 mills added in 2010). Notably, certification activity in Indonesia accelerated with the addition of 27 mills (15 added in 2010 and 8 in 2009) whilst 26 mills were added in Malaysia (26 in 2010, 8 in 2009 and 12 in 2008). Indonesia added 255,000 ha and Malaysia added 194,000 ha of production area. The biggest contributors to 2011's increase were Sime Darby Plantations with the addition of 8 mills in Indonesia and 18 mills in Malaysia with about 215,000 ha of production area, 4 mills and 33,272 ha certified by Agropalma of Brazil, and 3 units each from PTP Nusantara IV and Wilmar in Indonesia and Johor Corporation in Malaysia. There were ten (10) new certified producers, raising the total to 29. Among these newcomers were FELDA of Malaysia, Agropalma and PTP Nusantara IV.

## **Status of smallholders certification and increases in 2011:**

As of today there are 200,000 ha of certified scheme smallholders. RSPO has produced a number of guiding documentations to allow certification of FFB for independent smallholders. There are also efforts to start pilot programs for certification of independent smallholders through group certification in Thailand, Malaysia, and Indonesia. RSPO has and will continue to provide significant education and outreach towards this end.

# TRENDS IN THE SUPPLY OF CERTIFIED SUSTAINABLE PALM OIL

Starting in 2008, RSPO had four (4) certified providers of CSPO. Sime Darby Plantations, a Malaysian government-linked corporation, is the largest oil palm plantation company globally by land bank (Malaysia, Indonesia, and Africa). New Britain Palm Oil of Papua New Guinea largely sells its palm oil to Europe and mainly via its refinery in Liverpool, England. This refinery, operational in 2010, was reputed to be the first dedicated to segregated, traceable, certified sustainable palm oil. Wilmar International, a significant player in the processing and trading of palm oil in the world, has a very large market share of the oils and fats trade in China and is also moving aggressively to expand in other key and promising emerging markets such as India and also in Africa. United Plantations is a Danish family-owned and controlled Malaysian planter with land bank in Peninsular Malaysia and Kalimantan. Its estates in the former have among the best yields for any large corporate grower. In 2009, eleven (11) companies were certified to supply CSPO and the number has grown well each year. The four (4) pioneer companies are still among the top 5, with the addition of Malaysian-owned IOI Group, ranked third by CSPO supplied in 2011. IOI Group is a family-controlled business whose very substantial palm oil holdings were built up by its founder within the last few decades.

Now, among the top 20 are nine (9) Indonesian-owned plantation companies, six (6) Malaysian-owned entities), one (1) from Singapore - the Wilmar Group and four (4) which hail from other countries, namely New Britain Palm Oil, SIPEF Group, Cargill Inc and REA Holdings plc.

Top 20 CSPO Producers - CSPO Supplied (Mt) by Year

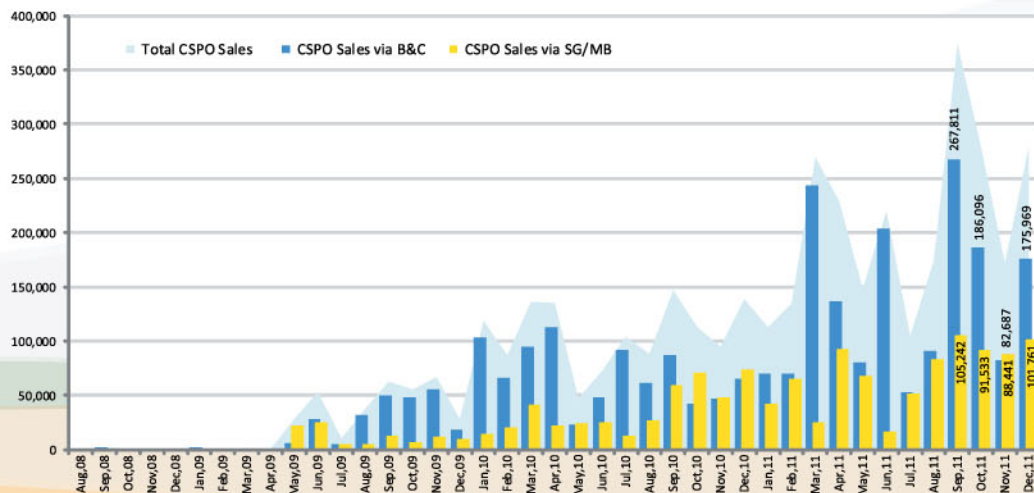
No.	Producer Members	2008	2009	2010	2011	Total
1.	Sime Darby Plantation Sdn Bhd	13,473	205,471	445,578	1,189,877	1,854,399
2.	New Britain Palm Oil Ltd	79,669	257,520	271,590	333,298	942,076
3.	IOI Group	0	63,671	197,427	400,677	661,776
4.	Wilmar / PPB Oil Palms Berhad	2,694	122,900	240,999	456,482	823,075
5.	United Plantations Bhd	67,528	185,321	197,774	167,095	617,718
6.	PT PP London Sumatra Indonesia TBK	0	114,225	169,480	175,031	458,736
7.	Kuala Lumpur Kepong Berhad	0	76,373	136,455	219,983	432,811
8.	SIPEF Group	0	57,173	135,205	239,397	431,776
9.	PT Musim Mas	0	133,151	141,465	151,563	426,179
10.	Cargill, Incorporated	0	43,607	86,089	145,279	274,975
11.	PT Agrowiratama	0	0	61,631	212,158	273,789
12.	Kulim (Malaysia) Berhad	0	82,576	87,872	101,374	271,822
13.	PT Berkat Sawit Sejati	0	0	39,771	59,453	99,225
14.	PT Inti Indosawit Subur	0	0	8,671	81,260	89,931
15.	Johor Corporation	0	0	0	82,340	82,340
16.	PT First Mujur Plantation and Industry	0	0	14,671	63,000	77,671
17.	R.E.A. Holdings Plc	0	0	0	72,867	72,867
18.	PT Perkebunan Nusantara IV (PERSERO)	0	0	0	65,081	65,081
19.	PT Sahabat Mewah dan Makmur	0	0	0	64,800	64,800
20.	PT Bakrie Sumatera Plantations TBK	0	0	20,665	36,438	57,103



# SUPPLY CHAIN DEVELOPMENTS

RSPO essentially offers four supply chain methods: trading of green certificates through GreenPalm and a physical trading system via mass balance (MB), segregated (SG), and identity preserved (IP), traced through an online platform managed by UTZ Certified. This ranges from lowest to highest in terms of logistical and paperwork complications and implied cost. Focusing on CSPO: 4.1 million mt has been sold since inception at end 2011, of which about 2.8 million mt or 67% has been sold via GreenPalm, the operator of the RSPO's book and claim mechanism. This proportion has been stable on an annual basis for 2010 and 2011. The balance of 1.3 million metric tons has been sold down the supply chain and tracked to the first refiner on the UTZ platform; where details of volumes, pricing, and information mass balance or segregated supply-chain use are not readily available. Data availability can be a challenge - due to complexity of the palm oil supply chain and palm oil sold through different certifications schemes in the market. (although, the 02-Nov-2011 reported estimate is 58 % SG, 42 % MB)

**CSPO Sales (Metric tons) through Book & Claim, Segregation, and Mass Balance**



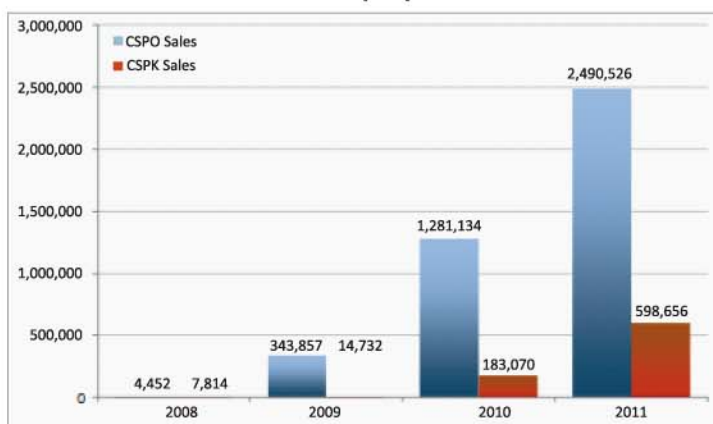
Whilst Book & Claims is the predominant method of supporting production of CSPO, we have seen a steady growth in physical trade of CSPO, which has grown from zero in 2008 to 33% over the total CSPO traded. To this end, in November 2011 the RSPO Executive Board approved the revised supply chain standards to ensure more clarity for physical palm oil trading via IP, SG, and MB.

# MARKET UPTAKE

## CSPO and CSPK Sales

After a sluggish start, sales of CSPO and CSPK have expanded rapidly. Combined annual sales at end 2009 was 29x that in 2008 (a small base), 2010 was 4.1x the previous year, and 2011 was 2.1x. Thus after a big jump in sales in 2010, expansion has moderated somewhat in 2011, but growth is still very rapid and it exceeded growth in supply, resulting in a better market off-take percentage in 2011.

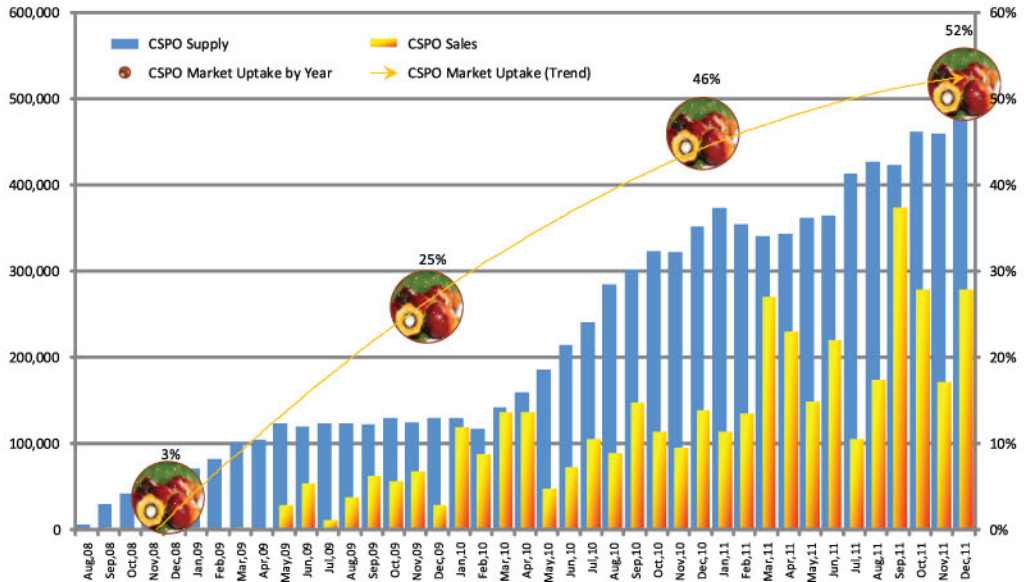
**CSPO & CSPK Sales (Mt) for 2008 -2011**



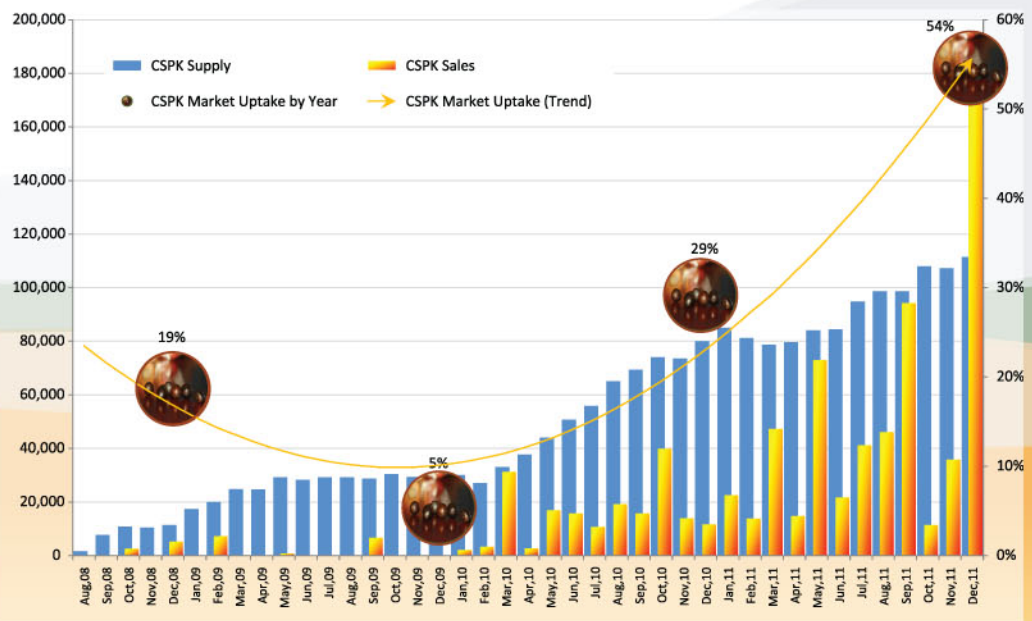
## Market uptake trends

Since inception to end 2011, 9.1 million mt of CSPO has been supplied and 4.1 million mt has been sold, resulting in a market uptake of 45%. 2.1 million mt of CSPK has been supplied and 0.80 million mt or 44% has bought. Over time, there has been a good increase in market uptake, with that for CSPO rising from 25% in 2009 to 46% in 2010 and 52% in 2011; rising but on a slowing trend. In contrast, market uptake for CSPK was relatively lagging, reaching 29% in 2010, but more than catching up by reaching 54% in 2011. Interestingly, in 2011 the demand for CSPK approached 100% in one month and exceeded 100% in the last month of the year, helping to mop up a few certificates from the growing stockpile of the unused; these number 1.3 million mt for CSPK and 5.0 million mt for CSPO. Increased demand in 2011 at GreenPalm was aided by higher uptake by established buyers such as Unilever, Nestle and Kellogg and new entrants such as Ikea Supply AG and Conagra Foods Inc.

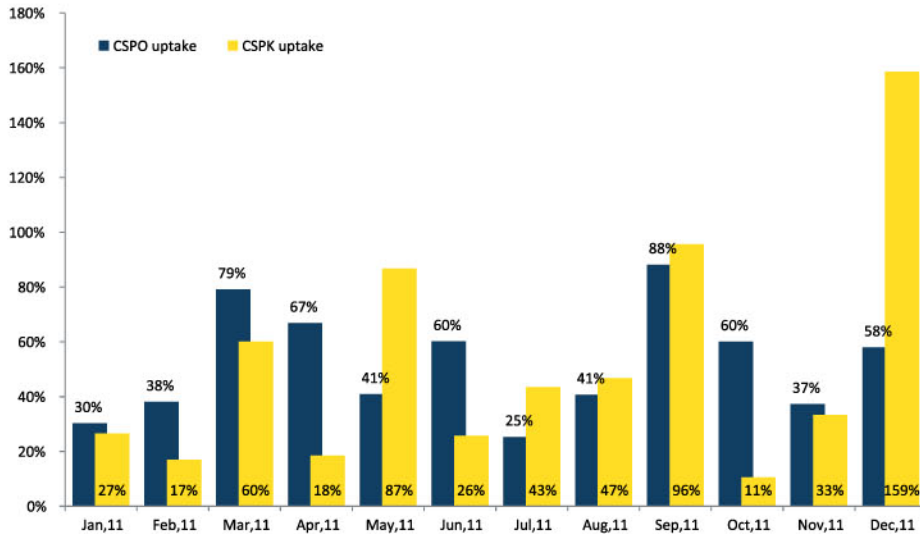
### CSPO Supply, Sales (Metric tons) and Market Update (%) for 2008 - 2011



### CSPK Supply, Sales (Metric tons) and Market Update (%) for 2008 - 2011



### CSPO & CSPK Update (%) for Jan - Dec 2011



While the pick-up in market interest is heartening, with uptake increasing, efforts continue to focus on improving the awareness for sustainable palm oil and its use. It is estimated that 5% of global palm oil consumption is certified sustainable palm oil. Initiatives by the RSPO include the launch of its trademark logo on 1 June 2011 and upcoming efforts to sort out supply-chain dynamics. Externally, the WWF's palm oil buyers' scorecard is in its second edition. It helps by identifying consumer brands and organizations (and indirectly, nations) that are ahead and behind the curve in the adoption and use of RSPO certified product. It is important to realize though, that markets for certified agricultural produce usually never reach full 100% uptake. This is true with Fairtrade to Organic, and from Rainforest Alliance to the Marine Stewardship Council (MSC) - recent analysis showed that of the fish from MSC certified fisheries, 10 % carries the MSC logo in the market. The very fragmented market for derivatives is a case in point. Until oleo chemical plants can secure 100 % certified palm oil feedstock, they would face increased complexity and logistical costs from working with two different grades of feedstock (certified and non-certified).



Data is most readily available from GreenPalm (B&C) on the supply and demand for certificates, and on the price and volumes traded; these are presented below.

On the supply-side, GreenPalm reports 27 companies who are owners of certificates (mostly oil palm producers), and 4.7 million mt of certificates have been issued; average of 175,000 mt per seller. The top 10 account for 4.1 million mt or 87% of the total. On the demand-side, 2.5 million mt of certificates have been redeemed / purchased by 222 companies; average purchase of 11,000 mt per buyer. The top 10 bought 2 million mt of CSPO certificates or 80% of the total.

On the GreenPalm platform, 63% of all CSPO certificates issued have been bought. There have been a relatively large number of certificate buyers but their average volume of purchase has been quite small. This development seems consistent with the view that buyers have been interested enough to become members of the RSPO and to embark on initial purchases, but not in large volume yet. The exception is Unilever, who dominates as a buyer, representing 57% of certificates market buying power. There is clearly a need for the RSPO to attract more large and active buyers, to widen and deepen the market for its certified palm oil products.

**Top 10 suppliers & buyers of CSPO certificates, GreenPalm (B&C)  
(registered palm oil certificate owners and certificates redeemed to date, as of 31 December 2011)**

Name of supplier	Country of origin	No. of certs ever issued	Name of buyer	Country of origin	No. of certs ever redeemed
SIME DARBY FUTURES TRDNG SDN BHD	Malaysia	1,274,033	UNILEVER SUPPLY CHAIN COMPANY AG	Switzerland	1,415,015
WILMAR TRADING PTE.LTD	Singapore	689,826	KRAFT FOODS INTERNATIONAL	United Kingdom	125,960
PT PP LONDON SUMATRA INDONESIA	Indonesia	404,084	J&J CONSUMER COMPANIES INC -CILAG	USA	101,142
INTER -CONTINENTAL OIL & FATS PTE	Singapore	360,838	NESTLE S.A.	Switzerland	85,334
UNITED PLANTATIONS BERHAD	Malaysia	347,774	IKEA SUPPLY AG	Sweden	60,000
SA SIPEF NV	Belgium	324,525	KELLOGG COMPANY	USA	41,081
KUALA LUMPUR KEPONG BERHAD	Malaysia	186,544	PREMIER FOODS GROUP LTD	United Kingdom	39,407
CARGILL - HINDOLI (SMALLHOLDERS)	Indonesia	176,571	AAK UK LTD	United Kingdom	33,593
CARGILL - HINDOLI	Indonesia	168,222	FRIESLANDCAMPINA	Netherlands	27,825
INTI INDOSAWIT SUBUR PT	Indonesia	144,126	VANDEMOORTELE GROUP	Belgium	25,050
<b>Top 10 – sub total</b>		<b>4,076,543</b>	<b>Top 10 – sub total</b>		<b>1,979,033</b>
<b>All producers – total</b>	<b>27 companies</b>	<b>4,727,790</b>	<b>All buyers – total</b>	<b>222 companies</b>	<b>2,496,482</b>

Note:

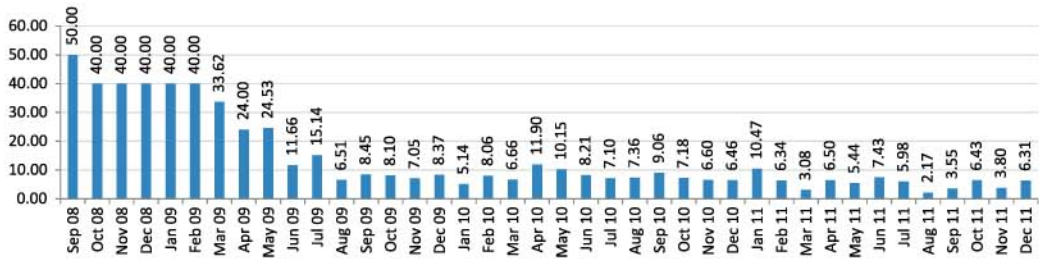
- 1 certificate = 1 metric tons
- Many palm oil producers operate in a few countries; commonly in Indonesia and/or Malaysia. SA Sipef NV of Belgium also operates its own estates in Asia-Oceania, Africa and South America. It has about 70,000 ha planted mainly with oil palm, rubber, tea other plants. Intercontinental Oil & Fats is a global specialist, merchandiser and distributor of tropical oils and derivative products based in Singapore.

Data source: GreenPalm.

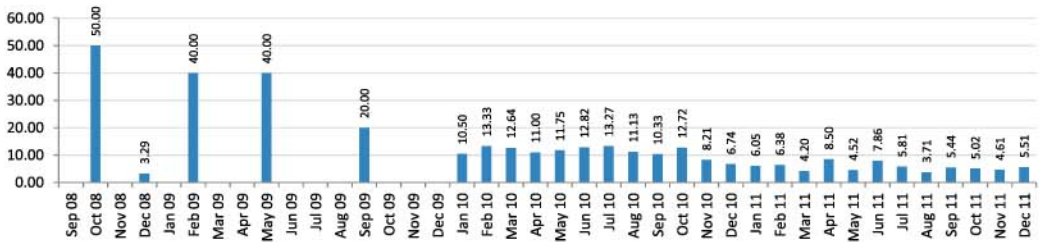
## The premium & related costs

652,802 CSPO certificates (1 certificate = 1 metric ton) have been traded online via GreenPalm since 3 Sept 2008 through end 2011. With a total value traded of just over US\$ 2.7 million, the average traded price per certificate is US\$4.19 per metric ton. For palm kernel oil, 110,762 units have been traded at US\$4.57 per metric ton for a total value traded of just over US\$ 0.5 million.

**GreenPalm Certificate Price Trend (CPO)  
since 2008**



**GreenPalm Certificate Price Trend (PKO)  
since 2008**



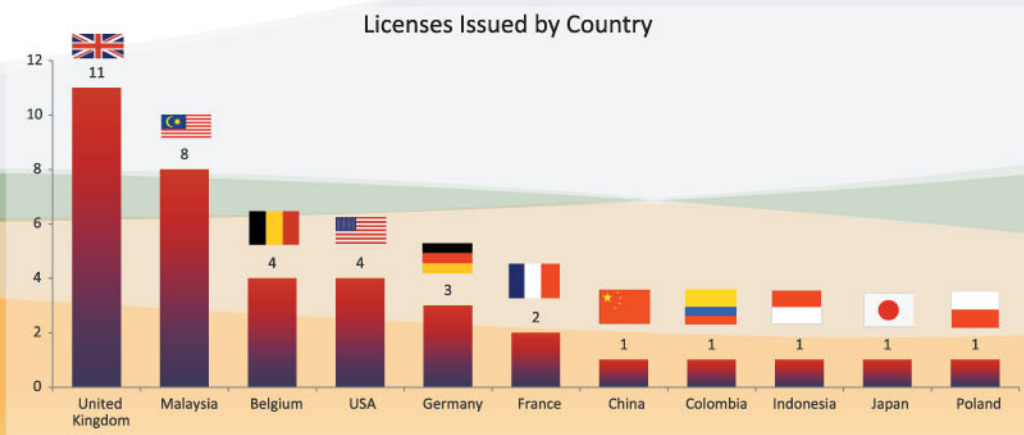
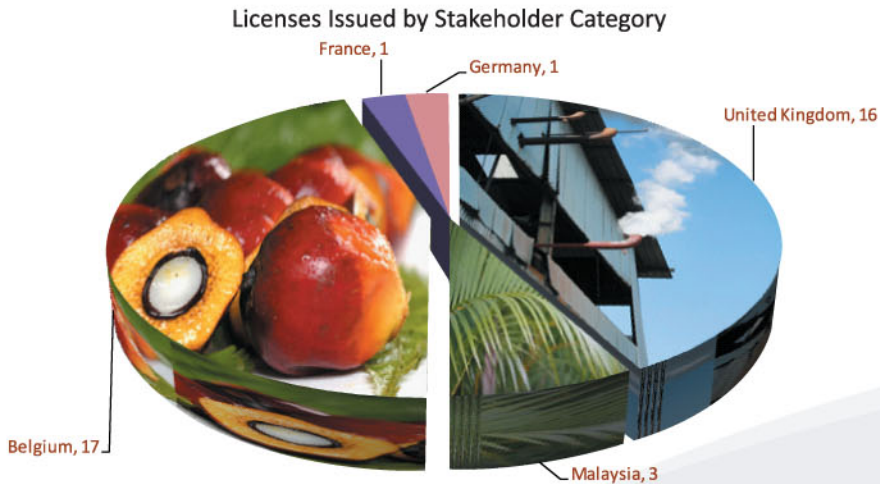
**Premium Paid (US\$)**

Product	2008	2009	2010	2011	Grand Total
CPO	287,840	2,267,581	6,479,669	8,766,907	17,801,996
PKO	65,120	284,131	738,065	1,538,688	2,626,004
<b>Grand Total</b>	<b>352,960</b>	<b>2,551,712</b>	<b>7,217,733</b>	<b>10,305,595</b>	<b>20,428,001</b>

Data source: GreenPalm, Book&Claim Ltd

# TRADEMARK

The first approvals for usage of the RSPOs trademark on consumer goods packaging were in August 2011. Since then, there have been 38 approvals; 16 to consumer goods companies, 17 to processors and traders and 3 to growers; amongst two others as shown below. The largest number of approvals, by country of origin, was for the United Kingdom (11), Malaysia (8), Belgium and the USA (4 each), and Germany (3).



Through informal tracking and monitoring of products that use the trademark, it is expected that more than ten (10) companies have launched or will be launching products soon, using the RSPO trademark. Samples of products in the market with the trademark include: bread and cake food items by Wal-Mart; Waitrose's soap products; Unitata's cooking oil, amongst others.



## The RSPO Trademark offers:

- A well-informed choice for consumers; and responsible consumer can now identify and differentiate products that are being sourced sustainably, from others.
- A seal of commitment on palm-derived product as more member companies can now act responsibly protecting the environment, social causes, and wildlife conservations.
- A boost of demand on CSPO/CSPK and encourage market uptake
- Economic benefits to producer and users of CSPO from the anticipated higher demand for CSPO/CSPKO

## Some images of existing usage of the RSPO trademark logo:



Source:  
RSPO website, where  
more images can be  
found at  
[http://www.rspo.org/en/t  
rademark\\_adoption](http://www.rspo.org/en/t rademark_adoption).

# MEMBERSHIP DEVELOPMENT

A key feature of the RSPO is its multi-stakeholder approach. There are 3 membership categories in the RSPO: Ordinary Members; Affiliates and Supply Chain Associates.

At end 2011, the RSPO had 583 Ordinary Members in seven (7) categories or stakeholder groups, as in the table below. The largest category is the Processors and Traders (210 members and just over one-third of all such members), Consumer Goods Manufacturers rank second (198 members or one-third) and Oil Palm Growers are third with 100 members. The membership register includes the biggest and most well-known names in each category. With their market shares and dominant voices in each category, RSPO has made very significant impacts in palm oil sustainability within a brief period of 3 years.

In addition to Ordinary Members, weve 100 affiliate members and 95 supply chain associates. Affiliates are often service providers such as suppliers, consultants, certification bodies and industry organizations. Supply Chain Associate members are often smaller consumer goods companies and also those providing ingredients or OEM products, they do not purchase more palm oil products than 500 MT/year.

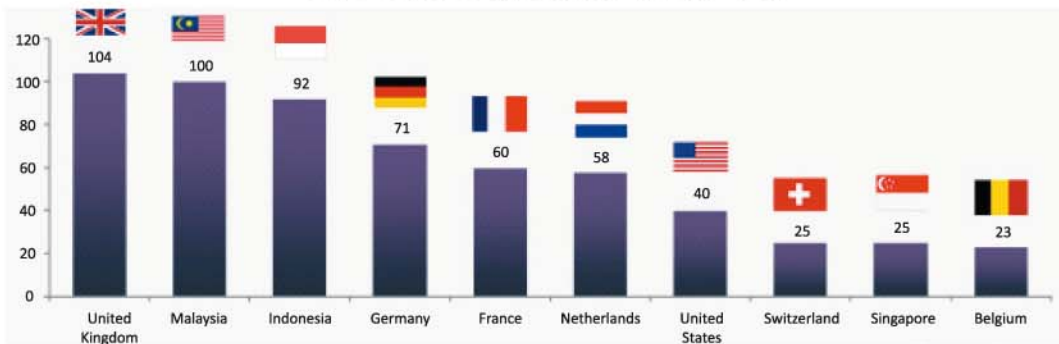
Stakeholders – ordinary members	Members	%
Banks and Investors	10	2%
Consumer Goods Manufacturers	198	34%
Environmental or Nature Conservation Organisations (NGOs)	17	3%
Oil Palm Growers	100	17%
Palm Oil Processors and Traders	210	36%
Retailers	38	7%
Social or Development Organisations (NGOs)	10	2%
<b>Grand Total</b>	<b>583</b>	<b>100%</b>

Member Types	No. of Members	%
Affiliate	100	13%
Associate	95	12%
Ordinary	583	75%
<b>Grand Total</b>	<b>778</b>	<b>100%</b>

Note: Data as at 31 December 2011

By country of origin, the RSPO's membership base is dominated by the United Kingdom, Malaysia and Indonesia which account for 38% of the entire membership (all types of members). In the top 10 geographies (77% of total members), European members number 332 or 57% of total members and Asians number 192 or 25%, and United States of America (USA) members are 39 or 5%. The Europeans and USA members are largely the buyers (consumer goods manufacturers and retailers) and the Asian members are largely producers, processors and traders.

**Top 10 Countries by Number of Membership**

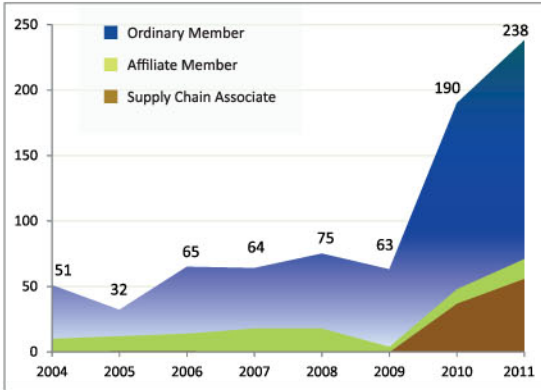


Other developed markets include Belgium (22 members), Sweden (12), Australia (21) and Japan (14). The RSPO will start focusing in big consuming developing economies: India (4 members), China (4), Russian Federation (4). South Africa (4) and Turkey (1). Other significant geographies for growers include Thailand (19). Latin America and Africa are large potential consumers and producers (in selected regions) of palm oil, with 24 and 7 members respectively.

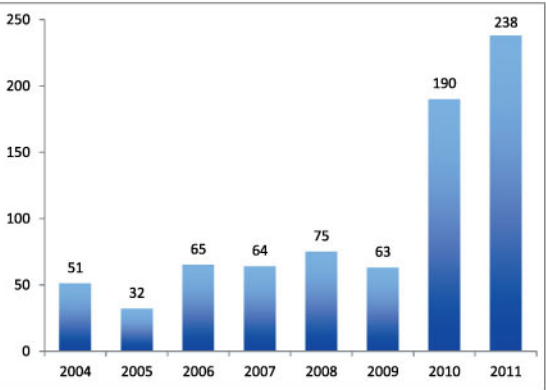
However, because many of RSPO members operate across borders, the influence of the RSPO goes well beyond the 'country of origin' data reviewed here. Among RSPO members are very large multi-nationals such as Walmart, Unilever, Nestle, Kraft and Kellogg Company, whose sourcing decisions will impact their global operations. Also, many of the large Southeast Asian oil palm growers have a presence outside their home region, including Sime Darby, Golden Agri-Resources and Wilmar International who have significant plans for oil palm developments in West And Central Africa. They too, will take RSPO to these newly developing, fast growing territories.

There is still tremendous potential for growth. From the addition of nearly 60 members a year up to 2009, RSPO added 190 members in 2010 and 2011 proved to be a banner year with 238 members added. This is a good indicator of heightened interest in the RSPO. Clearly, membership growth is the precursor for increased activity in the coming years. While we do not have all the details on the volume and market shares that the new members represent, the raw number is promising in and of itself.

**New Members Joined by Type & by Year**



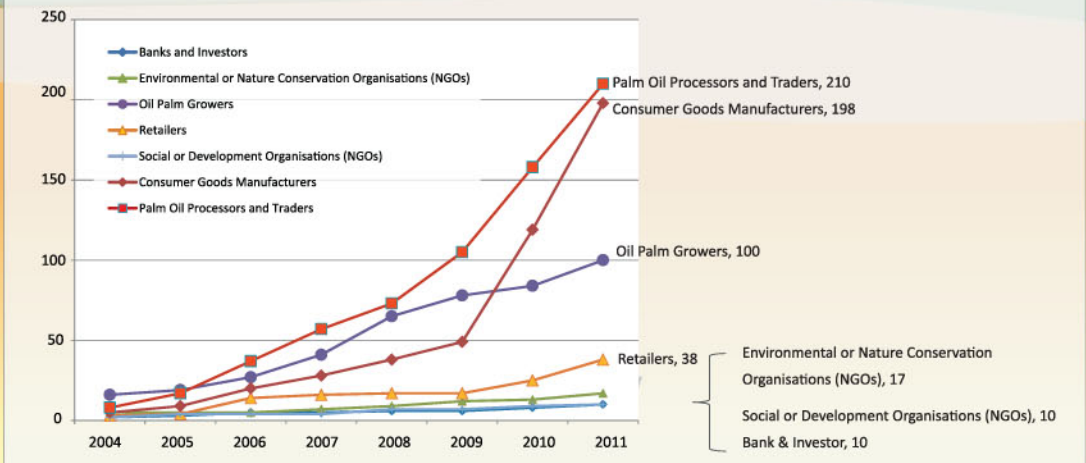
**New Members Joined by Year**



By country of origin, the biggest increase in 2011 was 156 new members from Europe. Indonesia added 14 new members, Malaysia 11, USA 11, Africa 9 and Australia 7. Noteworthy are 4 new members from China.

Delving into the number of members added by stakeholder segments, it is important to note that the annual addition in oil palm grower members peaked in 2008 and while still growing well, was doing at

**Members Growth by Category**





a slightly lower pace with a faster pick-up in 2011. The growth in membership among the processors and traders accelerated 2009 onward and likewise for consumer goods manufacturers and retailers 2010 onwards. 2011 saw the largest annual increments in membership for the categories of consumer goods manufacturers, retailers, and environmental NGOs. Supply chain associates also grew rapidly. A natural progression, as the large amount of sustainable palm oil products now available has to find increased usage downstream. The increase in membership in these categories is therefore very important for increased market uptake in the future.

Existing Indonesian grower members were maintained and further additions were made in 2011, despite the exit of GAPKI (the palm oil growers association for Indonesia) this year.

#### New members in 2011, by stakeholder segment:

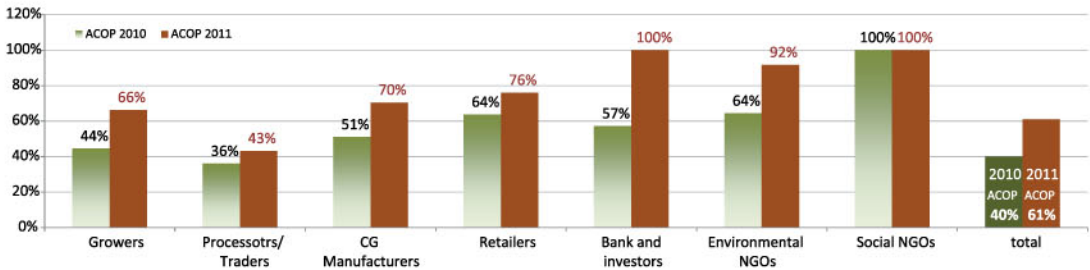
Category	No. of members*	No. of new members, 2011	New members in 2011 include...
Banks & investors	10	2	BNP Paribas, Generation Investment Management (co-founded by Al Gore)
Consumer Goods Manufacturers	198	79 #	Arnott's Biscuits Ltd, Kraft Foods, The Hershey Company
Environmental or Nature Conservation Organisations	17	4 #	Borneo Rhino Alliance, National Wildlife Federation
Oil Palm Growers	101	16	Golden Veroleum (Liberia) Inc., Mong Reththy Investment Cambodia Oil Palm Co Ltd, TDM Plantation Sdn Bhd
Palm Oil Processors and Traders	210	52	Guangzhou & Tianjin Namchow Oil & Fat Co. Ltd, Huntsman (Europe) BVBA, Olam International Limited
Retailers	38	13 #	L'Occitane en Provence, - McDonald's Corporation, Wal Mart Stores Inc
Social or Development Organisations (NGOs)	10	1	West Africa Fair Fruit
Affiliate	100	15	Bureau Veritas Certification France, Moody Int'l Certification (M) Sdn Bhd
Supply Chain Associate	95	56 #	DairyGold Food Ingredients SAS, Biscuiterie Jules Destrooper
<b>TOTAL</b>	<b>778</b>	<b>238</b>	

Note: Data as at 31 December 2011.

#2011 sees the largest annual addition in members for these categories.

## Annual Communications of Progress (ACOP)

Post recruitment, a key task for the RSPO is to activate its members; to adopt and use RSPO standards and certification. The “Annual Communication of Progress” (ACOP) is an important tool to do this. For 2011, 61% of our members updated their progress, up from 40% in 2010. Consumer goods manufacturers and retailers reported at 70% and 76%, and 66% of growers reported but processors / traders lagged significantly with 43% reported. Improved reporting in the future should help to improve planning by our members and focus their attention on achieving more.



## Pledges by members

RSPO requires time bound plans of the member segments who are involved directly in the physical supply-chain; growers; consumer goods manufacturers, growers, processors and traders and retailers.

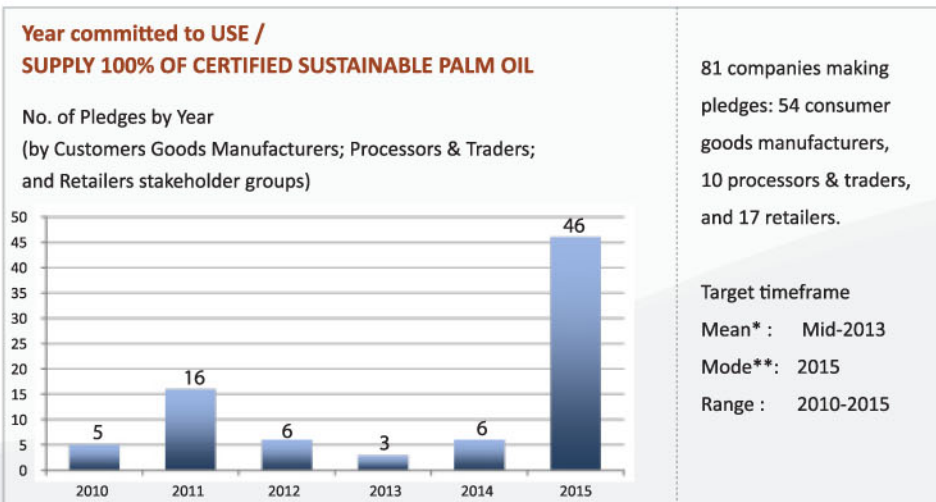
Stakeholder Category (ELIGIBLE MEMBERS ONLY) *	TOTAL No. of Members	SUBMITTED Timebound Plan	NOT SUBMITTED Timebound Plan
Banks and Investors	7		N/R
Consumer Goods Manufacturers	105	54	51
Environmental NGOs	11		N/R
Growers	81	44	37
Growers (Small Growers)	1		1
Processors & Traders	150	35	115
Retailers	25	17	8
Social NGOs	9		N/R
<b>Total</b>	<b>389</b>	<b>150</b>	<b>212</b>

\* : Supply Chain Associate, Affiliate Members; and New Members joined after Sept 2010 are not required to submit ACOP 2010-2011.

N/R : Banks & Investors, Social / Environmental NGOs are not required to provide Time Bound Plan.

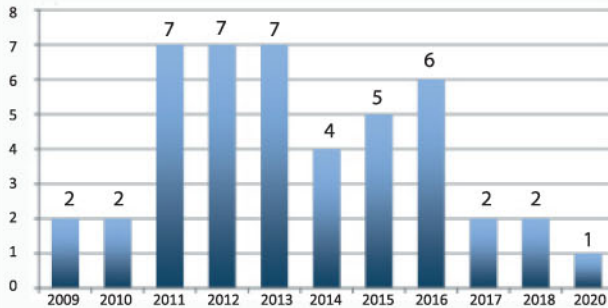
Members have to provide target year for full commitment to various activities including 100% supply chain certification (processors & traders principally) and 100% use / supply of CSPO (consumer goods companies, processors & traders and retailers). Growers have three types of pledges: 100% certification of estates, 100% certification of associated smallholders and 100% certification of outside FFB.

The mean pledge year for use / supply of CSPO is mid-2013, while that for supply chain certification is early 2013 and estates certification is mid-2013. Pledge on associated smallholder and outside FFB are further out in mid and late 2015 respectively. The mean targets suggest that the supply chain pledges are reasonably aligned; but only assuming that all companies mentioned are of equal size and that every part of the supply chain making these pledges are of equivalent size.



### Year committed to achieve 100% CERTIFICATION OF ESTATES

No. of Pledges by Year  
(by Growers Stackholder groups)



45 companies making pledges: 44 growers, and 1 processor & trader.

Target timeframe

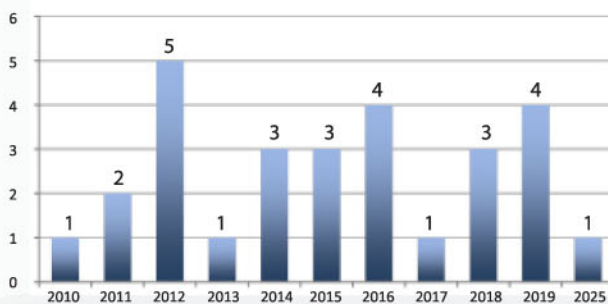
Mean\*: Mid 2013

Mode\*\*: 2011-2013

Range: 2009-2020

### Year committed to achieve 100% CERTIFICATION OF ASSOCIATED SMALLHOLDERS

No. of Pledges by Year  
(by Growers stackholder group; excluding associated smallholders)



28 companies making pledges: 27 growers, and 1 processor & trader.

Target timeframe

Mean\*: Mid 2015

Mode\*\*: 2012

Range: 2010-2025

### Year committed to achieve 100% CERTIFICATION OF OUTSIDE FFB

No. of Pledges by Year  
(by Grower stakeholder group)



22 companies making pledges: 22 growers, and 0 processor & trader.

Target timeframe

Mean\*: Late 2015

Mode\*\*: 2014, 2015, 2018

Range: 2011-2025

Note: \*Mean = simple average; \*\*Mode = most popular year (s).

Detailed charts and statistics of Annual Communication of Progress - Time Bound Plan can be accessed on <http://rspo.org/?q=page/2677>.



# STRATEGIC PILLARS FOR 2012

It has been important to reflect on the trends and performance of 2011. With a good understanding of the achievements and areas for improvement, the RSPO can develop and hone strategies to further advance the cause of sustainable palm oil globally.

The FIRST strategic pillar will be to increase CSPO uptake amongst current demand markets while penetrating major new markets for sustainable palm oil. We aim to achieve this by:

- continuing awareness and advocacy within Europe;
- driving membership and strategic collaborations in new demand markets such as India and China;
- increasing membership throughout the supply chain with a focus on processors & traders right to consumer goods manufacturers and retailers;
- tracking the annual communications of progress reports by members on their pledge towards CSPO;
- promoting and marketing the adoption of the RSPO trademark.



SECOND strategic pillar will be to continue certification momentum in large producer nations, while concurrently guiding and accelerating certification in new frontiers. We aim to achieve this through:

- continuous engagements and outreach within our multi stake holder structure with various governments, member companies and associations;
- facilitating funding and capacity building initiatives for smallholders - considering the significant palm oil supply contributed by independent smallholders from among the major palm oil producer countries - Malaysia (40%), Indonesia (40%), Thailand (70%), Africa (80%); RSPO is committed to bring these smallholders to certifications.
- promote the commercial as well as reputational values and advantages in embracing sustainable practices



THIRD strategic pillar will be to reinforce the commitment and credibility of RSPO's international certification standards. We aim to do this through:

- the current critical review process of its Principles & Criteria via an inclusive process across stakeholder groups and also in addressing significant concerns such as GHG emissions and Indirect Land Use Change; promoting best management practices for existing oil palm on peatland;
- guiding and facilitating New Planting Procedure and Supply Chain Certification process;
- managing and resolving grievance concerns through constructive engagement process; acknowledgement of RSPO standards amongst other international schemes such as biofuel;
- being accessible to other standards through strategic and synergistic collaboration;
- pro-active communications outreach & engagements around the world;
- tracking and analyzing growth of CSPO through regular and transparent reporting of data & statistics.



## Malaysia

- Malaysia is a core palm oil growing, processing and trading country.
- It has 72 mills certified, production area of 534,861 ha, 2,691,606 mt and 657,759 mt of CSPO and CSPK.
- 49% of annual production capacity of CSPO comes from Malaysia; the largest producer of CSPO in the world.
- It is estimated that approximately 14% of Malaysia's palm oil output is RSPO certified.
- In 2011, it added 26 mills and 194,000 ha of newly certified production area.
- Interestingly, new members include mid-size growers and processors, TDM Plantations in the East Coast of Peninsula Malaysia and Tian Siang Holdings (which owns about 6,500 ha oil palm in Sabah and four (4) mills nationwide).
- Consumer Goods Manufacturer members are Berg + Schmidt (M) Sdn Bhd and Ecofuture Bhd.

<b>Membership</b>		<b>Significant developments in 2011</b>
Category	No. of members*	<ul style="list-style-type: none"> <li>• Newly certified: 26 mills, production area 194,235 ha, CSPO 873,827 metric tons and CSPK 225,975 metric tons.</li> <li>• Sime Darby Plantation Sdn Bhd added 18 mills and 122,502 ha of production area; Johor Corporation, 3 mills and 22,642 ha; FELDA, 2 mills and 20,078 ha.</li> <li>• 8 new members – 4 Palm Oil Processors and Traders (Mac World Industries Sdn Bhd, Premium Fats Sdn. Bhd, ST Refinery Sdn Bhd, Tristar Global Sdn Bhd), 3 Oil Palm Growers (Sabah Softwoods Berhad, TDM Plantation Sdn Bhd, Tian Siang Holdings Sdn Bhd) and 1 ENGO (Borneo Rhino Alliance).</li> </ul>
Banks & investors	1	
CG Manufacturers	2	
ENGOS	3	
Oil Palm Growers	22	
PO Processors & Traders	34	
Retailers	0	
SNGOs	2	
<b>TOTAL</b>	<b>64</b>	
Affiliate members: 36		
Note: *As at 31 December 2011		



## Indonesia

- Indonesia is a core palm oil growing, processing and trading country, as well as a large consuming nation due to its large population.
- Indonesia is the world's largest producer of palm oil. It is the second largest grower of RSPO certified products, with 50 mills certified, 460,602 ha of production area and 2,260,354 metric tons and 500,187 metric tons of CSPO and CSPK.
- Its number 1 and 2 ranked growers by production area are Wilmar International and Sime Darby, which are foreign-owned companies.
- 41% of annual production capacity of CSPO comes from Indonesia; the second largest producer of CSPO in the world.
- It is estimated that approximately 9% of Indonesia's palm oil output is RSPO certified.
- In 2011, Indonesia had a larger increase in certified production area than Malaysia, and it also had more new members added. New members included two (2) consumer goods manufacturers; PT Macro Natura Kreasi and PT Dua Kuda Indonesia. PT Mikie Oleo Nabati Industri was the first CG manufacturer member for Indonesia.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• Newly certified: 27 mills, production area 254,612 ha, CSPO 1,057,645 metric tons and CSPK 223,406 metric tons.</li> <li>• Sime Darby Plantation Sdn Bhd added 8 mills and 92,043 ha production area; Wilmar International Ltd added 3 mills and 26,278 ha; PT Inti Indosawit Subur added 2 mills and 24,597 ha; R.E.A. Holdings Plc added 2 mills and 23,937 ha.</li> <li>• 13 new members – 2 Consumer Goods Manufacturers (PT Dua Kuda Indonesia, PT Macro Natura Kreasi), 5 Oil Palm Growers (Noble Plantations Pte Ltd, PT Ibris Palm, PT Mentari Pratama, PT Poliplant Sejahtera, PT Unggul Lestari), 6 Palm Oil Processors and Traders (PT Ajinoriki, PT Cisadane Raya Chemicals, PT Hasil Abadi Perdana, PT Indokarya Internusa, PT Kimia Farma (Persero) Tbk - Plant Semarang, PT Trenergy Biomasse Indonesia).</li> <li>• Pilot field testing of Indonesia Sustainable Palm Oil (ISPO), a government-initiated mandatory certification scheme to better implement the country's laws and regulations. It will apply to all growers over a period of time. Roll-out due in 2012.</li> </ul>
Banks & investors		
CG Manufacturers	3	
ENGOS	2	
Oil Palm Growers	50	
PO Processors & Traders	23	
Retailers		
SNGOs	2	
<b>TOTAL</b>	<b>80</b>	
Affiliate members: 12		
Note: *As at 31 December 2011		



## Papua New Guinea

- Papua New Guinea (PNG) is an important palm oil growing market.
- Due to its developing status, it enjoys preferential access to the European market via lower import tariffs. While there are several large-scale estates, smallholder production is a significant part of PNG production.
- It is a distant third ranked exporter of palm oil in the world.
- 7% of annual production capacity of CSPO is contributed by PNG – which makes it the third largest producer of CSPO after Malaysian and Indonesia.
- It has two (2) RSPO certified growers: New Britain Palm Oil Ltd (NBPOL) who also operates in Solomon Islands; and SIPEF; including 8,111 independent smallholders via NBPOL.
- Approximately 30% of its growers are smallholders.
- It has two affiliate member companies from PNG; Oil Palm Industry Corporation and Papua New Guinea Oil Palm Research Association Inc.
- New member SPZ Enterprises (PNG) Pty Ltd has also joined the fray as a grower member.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• New acreage certified in 2011: nil.</li> <li>• 1 new member – Oil Palm Growers 1 (SPZ Enterprises (PNG) Pty Ltd).</li> </ul>
Banks & investors		
CG Manufacturers		
ENGOS		
Oil Palm Growers	3	
PO Processors & Traders		
Retailers		
SNGOs		
<b>TOTAL</b>	<b>3</b>	
Note: *As at 31 December 2011		

## Thailand

- Thailand is an important palm oil growing, processing and trading country.
- It is a distant third ranked producer of palm oil in the world.
- Thailand's palm oil is largely grown by smallholder farmers.
- At the end of 2011, RSPO together with the 'Thai Oil Palm and Palm Oil Association', Palm Oil Crushing Mill Association', 'Thai Biodiesel Producer Association' and 'Palm Oil Refinery Association' announced the approval and publication of the National Interpretation (NI) of the RSPO in Thailand.
- The approved Thai NI allows the Thai Palm Oil Industry to certify Palm Oil as sustainable under the RSPO certification scheme. The process of the Thai NI development was supported by GIZ (Deutsche Gesellschaft fuer internationale Zusammenarbeit) and funded by the German Federal Ministry of Environment.
- Smallholders in Thailand constitute approximately 98% of the growers.
- The very first Thai Palm Oil Mill may most likely be certified in 2012, also involving smallholders who must be certified as part of their supply base.
- There are two (2) grower members: United Palm Oil Industry PCL and Univanich Palm Oil PCL.
- New member, The Natural Palm Group Co. Ltd owns a refinery in Southern Thailand with capacity of 600 metric tons per day.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• New acreage certified in 2011: NIL. In fact, there are yet to be any certified growers for Thailand.</li> <li>• 1 new member – Palm Oil Processors and Traders 1 (The Natural Palm Group Co.,Ltd).</li> </ul>
Banks & investors		
CG Manufacturers		
ENGOs		
Oil Palm Growers	2	
PO Processors & Traders	17	
Retailers		
SNGOs		
<b>TOTAL</b>	<b>19</b>	
Note: *As at 31 December 2011		

## Latin America

- Considered the new frontier, it is promising both as a producing and consuming region.
- This region has 9 grower members: Agropalma group from Brazil; FEDEPALMA and Poligrow Colombia Ltd from Colombia; Aceitera Coto Cincuenta y Cuatro S.A and Palma Tica S.A. of Costa Rica; ANCUA of Ecuador; Agroaceite, Agrocaribe, Grasas Y Aceites S.A., Palmas del Ixcán of Guatemala; Grupo Jaremar of Honduras.
- Consumer Goods Manufacturer members are Natura of Brazil, Team Foods Colombia S.A, Hada S.A. of Colombia.
- New grower member Grupo Jaremar is located in Honduras, with business focus on the cultivation of palm oil plantations, CPO extraction and refining, fractionation and commercialization of edible oils and shortenings.
- In 2011, RSPO achieved a milestone when it hit its first 1 million hectares of certified production area around the world; which was made possible by the certification of Agropalma's mills and supply base; which also marked the inaugural certification of sustainable palm oil in Brazil.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• Latin America had one (1) new certification for oil palm growers, entirely from Brazil, and entirely from Agropalma S.A., with 4 mills, 33,272 ha production area and CSPO125,793 metric tons and CSPK 44,215 metric tons.</li> <li>• 3 new members: 2 Oil Palm Growers (Agroaceite, S.A. of Guatemala and Grupo Jaremar of Honduras); 1 Palm Oil Processors and Traders (Daabon Group of Colombia).</li> </ul>
Banks & investors		
CG Manufacturers	3	
ENGOS		
Oil Palm Growers	9	
PO Processors & Traders	9	
Retailers		
SNGOs		
<b>TOTAL</b>	<b>21</b>	
<b>Note: *As at 31 December 2011</b>		

## Africa

- Another new frontier region for palm oil.
- The oil palm plant originated from West Africa and grows extensively in this region, but largely as village stands (with low yield) and with few agro-industrial estates are in production.
- Developments for sustainable palm oil are at the very early stage and are likely to be determined by the pace of agro-industrial project developments.
- Early part of 2011 witnessed Ghana as the first country in Africa to have its National Interpretation (NI) of the RSPO Principles and Criteria for sustainable palm oil approved.
- Downstream, Africa's only consumer goods manufacturer member is D H Brothers Industries (Pty) Ltd of South Africa, and the sole retailer member is Woolworths (Proprietary) Limited, also of South Africa.
- New member, D H Brothers Industries (Pty) Ltd of South Africa, produces margarine, industrial and baking fats, and supplies deodorised palm olein to McDonalds and various fast food restaurants as well as other industrial users of palm olein and other palm products.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• New acreage certified in 2011: NIL. In fact, there are yet to be any certified growers for Africa.</li> <li>• 7 new members: 1 Consumer Goods Manufacturers (D H Brothers Industries (Pty) Ltd of South Africa); 3 Oil Palm Growers (Golden Veroleum (Liberia) Inc., Herakles Farms Coöperatief, USA/Cameroon &amp; Ghana); 2 Palm Oil Processors and Traders (DJE BI DJE S.A.R.L, Agrivar: Agro Industrie Variée both from Cote D'Ivoire); 1 Social or Development Organisations (NGOs) (West Africa Fair Fruit of Ghana).</li> </ul>
Banks & investors		
CG Manufacturers	1	
ENGOS		
Oil Palm Growers	4	
PO Processors & Traders	2	
Retailers	1	
SNGOs	1	
<b>TOTAL</b>	<b>9</b>	
Note: *As at 31 December 2011		



## Europe

- This is a core consumer goods manufacturing and retail market for RSPO certified products.
- USDA data for the EU-27 countries shows imports of 5.3 million metric tons and consuming 5.18 million metric tons in the recent year.
- EU-27 is the 3rd largest market for imports after India and China, and the 4th largest for domestic consumption after India, Indonesia and China.
- Significant increase in membership numbers from the Consumer Goods Manufacturers; Retailers and Processors & Traders categories (as shown below).

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• Buyers' volume changes – details not available.</li> <li>• 102 new members–Banks and Investors 2, Consumer Goods Manufacturers 67, Environmental or Nature Conservation Organisations (NGOs) 1, Palm Oil Processors and Traders 21, Retailers 11.</li> <li>• The Netherlands is committed to using palm oil certified under the Roundtable on Sustainable Palm Oil (RSPO) by 2015.</li> <li>• Suggestions / proposals for lower tariff to apply for sustainable palm oil products imports.</li> </ul>
Banks & investors	5	
CG Manufacturers	154	
ENGOS	8	
Oil Palm Growers	6	
PO Processors & Traders	80	
Retailers	31	
SNGOs	5	
<b>TOTAL</b>	<b>289</b>	
Note: *As at 31 December 2011		
<b>CG manufactures and retailers – new members in 2011</b>		
<b>CG Manufacturers**</b>		<b>Retailers**</b>
New members include: August Storck KG, Bakkavor Limited, Casa Olearia Italiana Spa, Continental Bakeries BV, Dawn Foods, Europe, Europe Snacks, Frank Roberts & Sons Limited, Gebr. Jancke GmbH, Hanina GmbH - Feine Backwaren, Kraft Foods, Lamb Weston / Meijer VOF, McCain Foods Europe BV, Norlander Zeelandia AB Oriflame Cosmetics SA, Park cakes Ltd, Poppies International NV, Raisio plc., Samworth Brothers, Standard Soap Company Ltd, Tiger Tim Products Ltd, Unilever Supply Chain Company AG, Verdener Keks- und Waffelfabrik Hans Freitag GmbH & Co. KG, Wessanen Nederland Holding BV, Peter Kölln KgaA, Rüberzahl Schokoladen GmbH....		New members: ALDI SOUTH Group, C.I.V. Superunie B.A., Groupe CASINO, Kesko Food Ltd, Lactalis Nutrition Sante, METRO Group, Rema 1000 Denmark A/S, SODEXO, SOK Corporation, L'Occitane en Provence REWE Group on behalf of REWE-Zentral-Aktiengesellschaft.
Note: Data as at 31 December 2011; Company profile information above is taken from company profile submissions and available on the RSPO website or from company websites. ** Information on capacity has not been collated and analyzed by RSPO. Please visit RSPO website for more information about members.		

## United States of America

- World's major consumer market, the United States of America (US), made significant headway in the RSPO in 2011 as its 7th largest membership base.
- US headquartered global companies - retailer Walmart; confectionery producer The Hershey; company and financial services leader Citigroup; McDonald's Corporation; joined the RSPO.
- Two environmental NGOs; National Wildlife Federation and Orang Utan Republik Foundation joined the RSPO as well.
- These new entrants join in the other established names who were members from previous years; PepsiCo, P&G; Avon; MARS Incorporated; amongst many others.
- USA's membership representation in RSPO spans across a broad spectrum from consumer goods manufacturers, cosmetics; processors & traders; financial sector; retailers; and non- governmental organizations.

Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>• Buyers' volume changes – details not available.</li> <li>• 10 new members– Consumer Goods Manufacturers 3 (Interbake Foods LLC, Justin's, The Hershey Company), Environmental or Nature Conservation Organisations (NGOs) 2 (National Wildlife Federation, Orang Utan Republik Foundation), Palm Oil Processors and Traders 3 (Perdue Agribusiness Inc, Stepan Company, Thin Oil Products LLC), Retailers 2 (McDonald's Corporation, Wal-Mart Stores, Inc).</li> </ul>
Banks & investors	2	
CG Manufacturers	15	
ENGOS	4	
Oil Palm Growers		
PO Processors & Traders	9	
Retailers	3	
SNGOs		
<b>TOTAL</b>	<b>33</b>	
Note: *As at 31 December 2011		
CG manufactures and retailers – all members		
CG Manufacturers**		Retailers**
Avon Products, Inc, ConAgra Foods, Inc, Interbake Foods LLC, Johnson & Johnson, Justin's, Kellogg Company, Mars, Incorporated, P&G, PEPSICO, SC Johnson & Son, Inc, Seventh Generation, Inc, Stratas Foods LLC, Sun Products Corporation, The Hershey Company, Twincraft Soap, Ventura Foods, LLC, WhiteWave Foods.		Hawaiian Electric Company, Inc., McDonald's Corporation, Wal-Mart Stores, Inc.
<small>Note: Data as at 31 December 2011; Company profile information above is taken from company profile submissions and available on the RSPO website or from company websites. ** Information on capacity has not been collated and analyzed by RSPO. Please visit RSPO website for more information about members.</small>		

## Australia

- Australia is a significant consumer goods manufacturing and retail market.
- It has a relatively small population and it does not figure among the top 10 importers in the world (USDA data). However, its policies have a significant impact on other regional markets and beyond.
- Proposals to require labeling of palm oil in consumer products has raised the profile of sustainability in that market. However, the proposal has been contested.
- RSPO stated its positioning clearly with regards to this proposed labeling bill in Australia - advocating that: "Awareness and education is critical so that discerning consumers are informed of products that use ingredients that are sourced responsibly. However distinguishing palm oil as the only edible oil that requires labeling implies that other edible oils do not face similar challenges. RSPO takes a strong view against this supposition as issues surrounding environmental destruction; social concerns and wildlife conservation are prevalent across the board with cultivation of any type of monoculture crops. The long term repercussion of this proposed Bill may decrease the demand for palm oil but will not eliminate the key reasons this proposal is aimed at addressing in the first place. This is because edible oil is a key ingredient in most consumer products. Demand would merely shift to other vegetable oils, increasing the sustainability problems connected to these other particular crops."
- Its two (2) retailer members rank among its largest supermarket chains; Woolworths Limited and Coles Supermarkets Pty Ltd.
- New member, Arnotts Biscuits Limited (parent company: The Campbell Soup Company) manufactures and distributes biscuits, snack foods and other food products.



Membership		Significant developments in 2011
Category	No. of members*	<ul style="list-style-type: none"> <li>Buyers' volume changes – details not available.</li> <li>2 new members– 1 Consumer Goods Manufacturers (Arnott's Biscuits Ltd) and 1 Palm Oil Processors and Traders (Manildra Group).</li> <li>Proposal to require labelling of palm oil in consumer goods products. Campaigns in some Australian zoos on the negative effects of oil palm extensification.</li> </ul>
Banks & investors	1	
CG Manufacturers	4	
ENGOS		
Oil Palm Growers		
PO Processors & Traders	4	
Retailers	2	
SNGOs		
<b>TOTAL</b>	<b>11</b>	
Note: *As at 31 December 2011		
CG manufactures and retailers – all members		
CG Manufacturers**		Retailers**
Arnott's Biscuits Ltd, Australian Food and Grocery Council, Goodman Fielder Ltd, Peerless Holdings Pty Ltd.		Coles Supermarkets Pty Ltd, Woolworths Limited.
<p>Note: Data as at 31 December 2011; Company profile information above is taken from company profile submissions and available on the RSPO website or from company websites. ** Information on capacity has not been collated and analyzed by RSPO. Please visit RSPO website for more information about members.</p>		



## China

- A core consuming market for palm oil, fast growing and developing.
- According to USDA data, China is the #2 importer in the world after India with 6.3 million metric tons of palm oil, and it is the #3 domestic consumption market using 6.2 million metric tons of palm oil.
- China's first four (4) members joined in 2011.
- New member, Namchow Group, is a 59-year old company originating in Taiwan.
- Beltek, established in 1992, is an instant noodles manufacturer in China. It is an export-oriented enterprise. It says "our products are exported to EU and Canada etc. We plan to buy certified sustainable palm oil (Mass Balance) before the end of 2011. The usage of palm oil is more than 500 metric tons per year."
- The other Consumer Goods Manufacturer, Masson Group Company Limited, formerly Guangzhou Light Industry Institute is also one of the four companies.

Membership		No. of members*	Significant developments in 2011
Category			
Banks & investors			<ul style="list-style-type: none"> <li>• Buyers' volume changes – not applicable as China members only signed on in 2011 (in any case, details not available).</li> <li>• 4 new members: 2 Consumer Goods Manufacturers (Beltek (Huizhou) Foods Co., Ltd., Masson Group Company Limited), 2 Palm Oil Processors and Traders (Guangzhou Namchow Oil &amp; Fat Co., Ltd and Tianjin Namchow Oil &amp; Fat Co., Ltd.).</li> </ul>
CG Manufacturers	2		
ENGOS			
Oil Palm Growers			
PO Processors & Traders	2		
Retailers			
SNGOs			
<b>TOTAL</b>	<b>4</b>		
Note: *As at 31 December 2011			
CG manufactures and Processors & Traders – all members			
CG Manufacturers**		Processors and Traders**	
Beltek (Huizhou) Foods Co., Ltd., Masson Group Company Limited)		2 units of the Nanchow Group: Guangzhou Namchow Oil & Fat Co., Ltd and Tianjin Namchow Oil & Fat Co., Ltd.	
Note: Data as at 31 December 2011; Company profile information above is taken from company profile submissions and available on the RSPO website or from company websites. ** Information on capacity has not been collated and analyzed by RSPO. Please visit RSPO website for more information about members.			

## India

- According to USDA data, India is the #1 importer in the world with 7.3 million metric tons of palm oil, and it is the #1 domestic consumption market, using 7.7 million metric tons of palm oil.
- India, similar to China, has only four (4) members, but they are entirely in the processors & traders category.
- Adani Wilmar Limited (AWL), a US\$ 1.2 Billion agri-business company, is a 50:50 joint venture between the US \$5 Billion Adani Group of India, leader in International trading, Power Sector and Private infrastructure, and Wilmar International Limited, Singapore, Asia's leading Agri-business group with revenues exceeding US \$16.5 billion.
- Kamani Oil Industries Pvt Ltd of Mumbai is a leading manufacturer of specialty oils and fat products in India. It was the first Indian vegetable oil industry to be HACCP certified. Products include a whole range of vegetable oils, bakery shortenings, margarines, confectionery fats, dairy fats replacers, nutritional and healthy oils.
- Godrej Industries Limited, incorporated in 1988 was formerly known as Gujarat-Godrej Innovative Chemicals Limited. It manufactures and markets oleo-chemicals, their precursors and derivatives, and bulk edible oils. It also trading in medical diagnostic products, estate management and investment activities.
- WVF Group is a global player in oleochemicals and personal care products. It also contract manufactures toiletries and cosmetics for some of the world's most popular brands. It has its presence in India, Middle East Asia (Dubai), Europe, USA and Singapore, and it has worldwide marketing and distribution network for its products.

Membership		Significant developments in 2011
Category	No. of members*	
Banks & investors		<ul style="list-style-type: none"> <li>Buyers' volume changes – not applicable as no India members (in any case, details not available).</li> <li>However, despite the above, GreenPalm data shows that Cadbury India bought 9,900 units of B&amp;C certificates.</li> <li>0 new members joining in 2011.</li> </ul>
CG Manufacturers		
ENGOS		
Oil Palm Growers		
PO Processors & Traders	4	
Retailers		
SNGOs		
TOTAL	4	
Note: *As at 31 December 2011		
Processors & Traders – all members		
Processors and Traders**		
Adani Wilmar Ltd, Godrej Industries Limited, Kamani Oil Industries Pvt. Ltd, VVF Ltd.		
<p>Note: Data as at 31 December 2011; Company profile information above is taken from company profile submissions and available on the RSPO website or from company websites. ** Information on capacity has not been collated and analyzed by RSPO. Please visit RSPO website for more information about members.</p>		

## Acronyms:

RSPO	– Roundtable on Sustainable Palm Oil
CSPO	– Certified Sustainable Palm Oil
CSPK	– Certified Sustainable Palm Kernel
FFB	– Fresh fruit bunches
mt	– Metric tonnes
ha	– Hectares



Note: Difference between Annual Production Capacity, Supply And Sales:

Annual Production Capacity is the annualized volume (mt) of CSPO or CSPK a producer capable of producing from its RSPO certified sites.

Supply of Certified Palm oil is calculated by multiplying daily production capacity (mt) of certified sites by the number of days the sites operate.

Sales of Certified Palm Oil is the volume of certified palm oil sold by producers, not product sales to consumers.



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