



Outline

- Short introduction to the ISEAL Alliance and our work in emerging markets;
- Context: Indian landscape for sustainability and sustainability standards;
- Overview of the Indian palm oil sector
- Strategies to unlock the Indian market for responsible palm oil

Cotton bales in China © Better Cotton Initiative



What is the ISEAL Alliance

We are the global association of sustainability standards

- › Membership organisation
- › Founded 2002
- › Not-for-profit company
- › Based in London
- › 13 staff Secretariat



A Growing Movement

Full Members



Associate Members



A global economy in transition and scaling up the use of standards

- › Global trade flows shifting to Asia, Latin America, Africa and the Middle East
- › Rise of South-South trade
- › Importance of companies (both large and SMEs) in emerging economies
- › Supply chains becoming more and more complex



Emerging Markets: Production and consumption trends

	Brazil	China	India
Beef	2 nd largest producer	3 rd largest consumer	
Cotton		Largest consumer	Largest producer
Farmed fish		Largest consumer	
Palm oil		2 nd largest consumer	Largest consumer
Soy	2 nd largest producer	Largest consumer	
Sugarcane	Largest producer		2 nd Largest producer
Tea			Largest producer
Timber		Largest importer	



Source: WWF

Scaling Up Standards in Emerging Economies

- › Focus on China, India, and Brazil
- › Raise awareness on the use of sustainability standards
- › Domestic demand
- › National / International interface
- › Local networks
- › Global focus on public procurement of sustainable goods and services



Schweizerische Eidgenossenschaft
 Confederation suisse
 Confederazione Svizzera
 Confederaziun svizra
 Swiss Confederation
 Federal Department of Economic Affairs FDEA
 State Secretariat for Economic Affairs SECO

Photo © Charlie Watson, Rainforest Alliance

Sustainability standards in India: Top Trends

- › Increase in standards compliant production
- › Growing domestic visibility of international standards
- › Stronger collaboration with local organisations
- › Impacts case coming together
- › Nascent government interest



Indian tea picker © Charlie Watson, Rainforest Alliance

In India b/w 2012-2014:

- FSC certified area rose from 19,000 - 463,000 ha
- Number of Fairtrade certified organisations rose from 61-193



ISEAL Members in India

	2012	2014
Forest Stewardship Council	202 Chain of Custody Certificates 3 forest management certificates covering 19, 599 ha	260 Chain of Custody Certificates 8 forest management certificates covering 463,172 ha
Fairtrade	61 certified organisations 91,400 workers and farmers	193 certified organisations 121,400 workers and farmers
GoodWeave	32 licensees	83 licensees
Rainforest Alliance/Sustainable Agriculture Network (RA/SAN)	55 production certificates	87 production certificates
Responsible Jewellery Council	6 certified members	37 certified members
Social Accountability Accreditation Services	639 certified facilities	769 certified facilities
UTZ Certified	24 certified producers and groups	22 certified producers and groups



Sustainability standards in India: Challenges

- › Producer capacity building
- › Complex government architecture
- › Local ownership and global consistency
- › Low confidence in audits
- › Consumer awareness

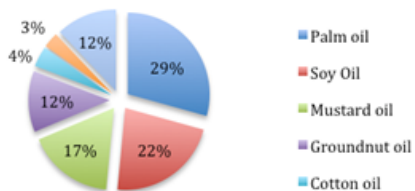


Cotton farmer in India © Simon Rawles, Fairtrade International



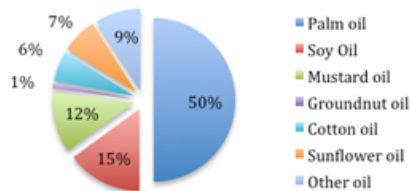
Indian market for palm oil

Consumption of edible oils in India (%)
2001-02



Total consumption 10.13 MMT

Consumption of edible oils in India (%)
2012-13



Total consumption 17.34 MMT

- › 90 % of palm oil volume in India is used for edible/food-based products and 10 percent is used for non-food based usage.
- › Oil in India is sold primarily (89 %) in loose form and a small percentage (11 %) in the branded and packaged form.
- › Bulk of Indian palm oil is imported – small domestic industry ±100,000 metric tonnes per annum

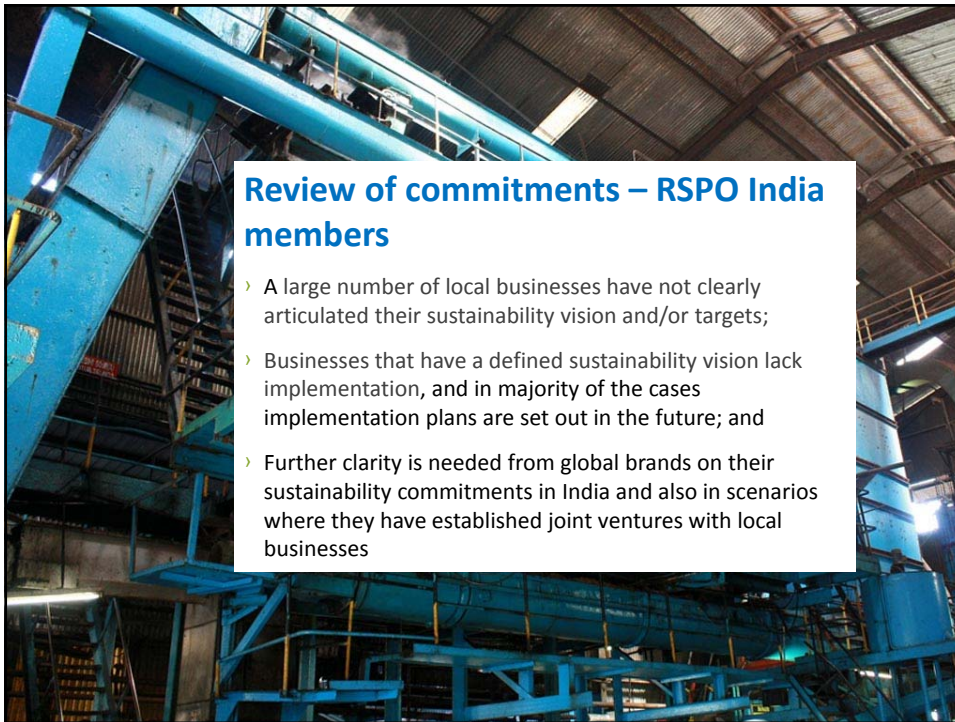


Certified Sustainable Palm Oil in India

- › Uptake of sustainable palm oil is very low: RSPO ACOP Digest 2012/13 - **CSPO 144 tonnes**
- › RSPO Membership in India: 28 registered RSPO members in India – 20 ordinary members, 7 supply chain associates and 1 affiliate member.

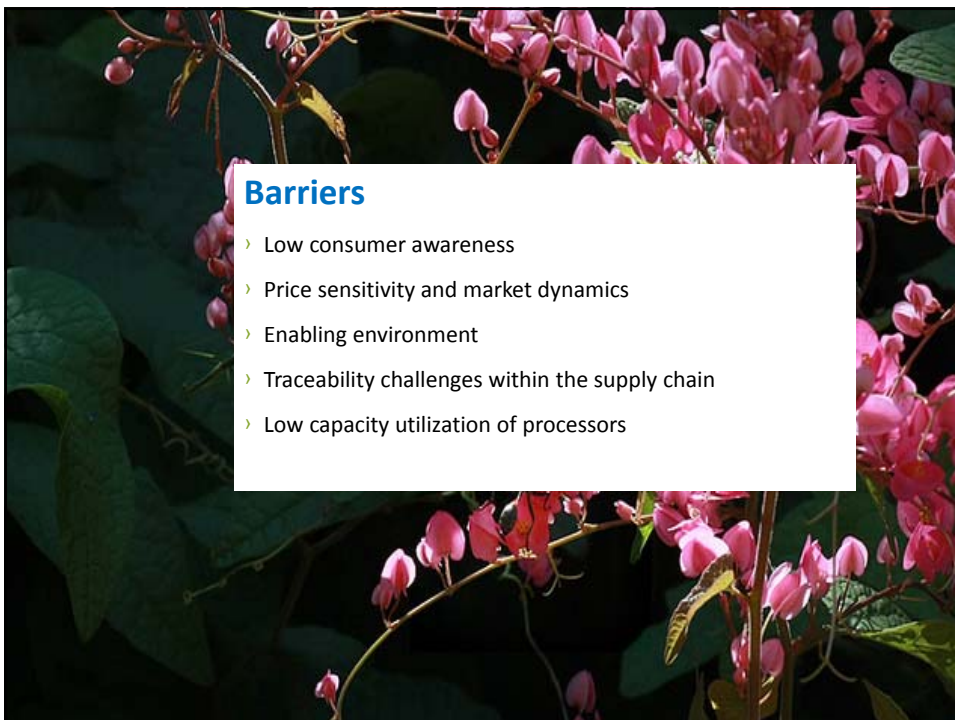


Processing palm oil © Bremen Yong, RSPO



Review of commitments – RSPO India members

- › A large number of local businesses have not clearly articulated their sustainability vision and/or targets;
- › Businesses that have a defined sustainability vision lack implementation, and in majority of the cases implementation plans are set out in the future; and
- › Further clarity is needed from global brands on their sustainability commitments in India and also in scenarios where they have established joint ventures with local businesses



Barriers

- › Low consumer awareness
- › Price sensitivity and market dynamics
- › Enabling environment
- › Traceability challenges within the supply chain
- › Low capacity utilization of processors

Strategy to scale up the use of responsibly sourced palm oil in India – 2015 - 2017

