



SOCIAL DUE DILLIGENCE CHALLENGES WHEN SUPPORTING SMALL PRODUCERS IN THE RSPO CONTEXT FOR COLOMBIA.

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A business proposal that reaches a farmer economy production system



A different logic of thought

- 60% of the small producers that supply their fruit to Daabon are of farmer origin, a farm management logic based on criteria such as traditional resource management, emotional relationship with the land and little or no subjection to considerations of business nature
- The plot is a family property on which the producer and a family depend, in which several generations generally coexist; for which the palm farm is their only source of livelihood.

Difficulty in accessing resources from the financial sector

- The possibility of investing in the farm, to improve productive infrastructure or habitability is scarce, because there is limited access to resources from the financial sector. Most producers have negative credit scores.

There is no dynamic of generational succession

- After 20 years of commercial agreement and alliance with the company, most of the farms are in the hands of older adults, who have not agreed a succession with their family members
- Culturally, young people remain on the farms without ownership when they create new homes, they are employed as day laborers or take advantage of labor demands in agricultural enterprises.



A culture of informality in the contractual institution

- The contract as a fundamental institution of law continues to suffer from a great informality in rural Colombia and this covers aspects such as commercialization and hiring labor.
- Labor rights, despite being inalienable, are not fulfilled; in most cases, both by decision of the contracting party and the contracted party.
- The farms are not conceived or managed as companies; Therefore, requirements such as the structuring of policies or adapting to regulations, is a practice that is far for producers, for which no usefulness is recognized and, therefore, is not assumed.



DAABON

The risks...

- The company is trying to comply with the law, with the RSPO Referential as the only way of commitment.
- It is a cultural transformation that has no accompaniment from the state; even though many of the requirements of the Certification already constitute requirements of the Colombian Labor Law.
- **Nevertheless...**
- In the palm oil agro-industry, the primary producer sets the conditions. Even without RSPO certification, producers are assured of commercialization and financial success.

How do you assume the role of leading for small certified producers?

- Ownership and decisions related to the farm remain in the hands of the producers. The company transfers knowledge, advises and accompanies; but the producer is still the owner and the agent who decides everything that happens on the property.
- It is a long-term process, based on the understanding of a different productive logic and on the respectful exchange of knowledge.
- The company transfers its *know-how* in terms of human management and corporate social responsibility. the working groups assume **extensionist** as part of their responsibilities.
- The accompaniment to the producer goes beyond the areas traditionally related to the productive part and the **rural extension** replaces the technical assistance.
- Actively planning farms and introducing succession.
- Government APIs to gather public information for compliance of labor laws.

