

# SOLIDARIDAD PALM OIL PRODUCER SUPPORT



## SWAPP ACHIEVEMENTS



**2,000+ smallholders** trained in good agricultural practices

**T** Average yield increase from **5.3 → 19 tons** FFB/ha/yr in four years

**2 plantations** and their schemed smallholders RSPO certified

**€1.5 million** seed capital invested in **8 businesses** for mill upgrade & new processing mills

**91 RSPO Lead auditors** trained in West Africa



## Scaling up Best Management Practices through market-driven smallholder support in Ghana

Based on the earlier successes of Solidaridad's Sustainable West Africa Palm Oil Programme (SWAPP), Solidaridad, Henkel and Achmea Foundation have launched a project to pilot a market-driven approach to smallholder support in Ghana. SWAPP has proven that smallholder yields in Ghana can more than triple if farms are managed according to Best Management Practices (BMP). To scale-up the Best Management Practices approach to oil palm farming and ensure that smallholders have access to the high quality services and inputs they need to implement BMP on farm, Solidaridad is facilitating the establishment of commercial service providers in four regions in Ghana. The provision of BMP by those service providers should improve the productivity of at least 2,000 smallholder oil palm farmers by 2020.

Our partners:



Dutch Ministry of Foreign Affairs  
Nederlandse Ambassade in Ghana





## Background

Demand for palm oil in West Africa is majorly outstripping local supply, with Ghana importing over 300,000 tons of CPO at an annual cost of 170 million USD. The oil palm tree is native to West Africa and the region has a very large potential for increasing its production, including on the land already under cultivation. In Ghana, 330,000 hectares are under palm oil cultivation, with over 70% owned by smallholders with average yields of only 3-5 tons of Fresh Fruit Bunches (FFB)/ha/year. Solidaridad's SWAPP programme has shown that smallholder yields could reach 18-20 tons FFB/ha/year, but farmers often have limited knowledge of best practices and lack access to inputs and services to apply those practices on farm. There is enormous potential to transform the lives of millions of smallholders, increase local CPO production and decrease the demand gap – if farmers can be reached at scale and offered the high quality training, inputs and services they need to produce profitably and sustainably.

## Scaling through market interventions

To meet this need, Solidaridad will establish four Rural Service Centers (RSCs) that will pilot a market-driven approach to providing oil palm smallholders with the services and inputs they need. The RSCs will provide farm management packages according to Best Management Practices standards, labor services and sales of high quality inputs. Where needed, they will also support farmers with business and entrepreneurial skills. The RSCs will serve as aggregation and transportation centers of the harvested palm fruits, earning revenues by charging fees for their services. As farmers' yields increase substantially from the application of BMP, the cost of these fees will be more than offset by farmers' increase in income. The RSCs are a market-driven solution that can reduce the gap between actual yields and maximum yield potential, thus improving profitability and sustainability for smallholders.

## An Innovative Franchise Model

Through a franchise formula, Solidaridad will provide the RSC entrepreneurs with a business model as well as a full training package including entrepreneurship, business management skills and BMP knowledge for oil palm farms. The franchise company will also facilitate entrepreneurs with access to collective procurement



benefits, finance and investment. By 2020, the RSCs should be earning stable revenues as financially viable, commercial businesses. We expect that a profitable model will catalyze local entrepreneurs to copy the RSC model, facilitated by the franchise organisation, allowing significant scale-up to cover approximately 10% of the smallholder market over the next ten years.

## Expected outcomes

- At least 2,000 smallholders in 4 regions will increase productivity from 5 → 12 tons FFB/ha/year by end of 2020
- Increased (net additional) income and better livelihoods for farmers
- The RSCs are earning stable revenues as financially viable, commercial businesses

### Robust infrastructure

Solidaridad is working to organize a more optimal production structure for farmers by improving producer access to inputs and services, credits and commercial investments in transport, storage and retail.

### Impact investment

We are developing clear business cases and investment opportunities for investors who seek more benefits than financial return only – in this case, with the goal of making sustainable practices more attractive for markets and financial institutions.

- The RSCs contribute to better employment opportunities for youth and women by end of 2020
- If successful, we will further scale up the RSC model by attracting (impact) investors and (semi-)commercial funding

## About Solidaridad

Solidaridad is a not for profit network organization operating from nine regional offices on five continents. We envision a world in which all we produce, and all we consume, can sustain us all while respecting the planet, each other and the next generation. We bring together commodity supply chain actors and engage them in innovative solutions to improve production, ensuring the transition to a sustainable and inclusive economy that maximizes the benefit for all.

## Join us for change that matters

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# Solidaridad

For more information:  
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