



## Contributing Writers

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That success comes at a high price: large-scale palm plantations, often several 10,000 acres in size, represent huge monocultures often planted on purposely cleared primary forest or bog land that force out human and wildlife communities. Notably, since the mid 1990s, vast tracts of forest on Sumatra were burned or clear-felled to make room for oil palms, which adds the release of vast amounts of carbon dioxide to the list of environmental damages caused by oil palm plantations. Consequently, many environmentalists have understandably but wrongly argued that palm oil cannot be produced in a sustainable and responsible way. The Serendipalm/Danieama project developed by Dr. Bronner's since 2007 in Ghana's Eastern Region clearly shows that it can. The combination of organic and fair-trade standards ensures sustainability and social responsibility along the supply chain— with respective seals used on retail packs that are recognized and trusted by informed consumers.

Since 2006 Dr. Bronner's has shifted over 95% of raw agricultural material volume used in making our soaps to sources that are certified fair trade and organic (FTO). We wanted to know who makes our raw materials and ensure that fair prices and wages are paid, and their production benefits the local community and environment. Next to coconut oil, palm oil is our second most important ingredient by volume. Made from the fruits of the oil palm, palm oil gives our bar soaps, and those of other brands, hardness and longevity.

First, in cooperation with the NGO Fearless Planet, we hired 4 agricultural field officers to operate an Internal Control System (ICS), necessary for the certification of small-holder grower groups; this is the heart of the organic and fair trade system in such situations, to ensure the standards are implemented in the field. The ICS team registered small-holder farmers around the town of Asuom in Ghana's Eastern region and supported their conversion to organic oil palm cultivation. The area hosts thousands of smallholders who grow oil palm, cocoa and citrus on small plots between 2-5 acres as their main source of income. We then designed and built a small oil mill in Asuom, that was modeled on the hundreds of local artisan oil mills, called crammers, in the area, but with much better facilities, working conditions and efficien-

cies. We asked Danieama, a family of local entrepreneurs who had helped start the project, to manage the cramer on behalf of Dr. Bronner's with our support. As production grew, we founded Serendipalm Co. Ltd., Dr. Bronner's sister company to host the entire project. We hired accountants, additional field officers, a project manager, set up a payroll system and registered Serendipalm for exportation and importation of urgently needed tractors and trailers. As of the peak harvest season of 2012, the project employs some 260 people, most of them unskilled hard-working women from Asuom. It is the largest local employer in an area with little formal employment, and for this and other significant reasons it is greatly respected. After several scale-ups, the mill now supplies 300 plus metric tons per year of fair trade and organic palm oil needed by Dr. Bronner's and additionally exports smaller quantities to several other European firms committed to fair trade.



Photo of Martin Oduro by Gero Leson

Some 300 organic and fair-trade small holders now supply us with fresh fruit bunches (FFB) from some 2,500 acres. Another 300 farmers are in conversion to full organic status. Once the project started, farmers in the project's main towns formed associations that negotiate with Serendipalm over FFB prices, plan farmer trainings and execute fair trade projects. The entire project is inspected at least annually and certified organic and fair trade by the Institute of Marketecology (IMO), an internationally respected Swiss Certification Body, under its organic and Fair for Life programs.

What's fair and sustainable about this project? First, we pay farmers a market premium price for their FFB that guarantees a fair profit. We also support them technically in improving soil fertility, fruit yields and profitability through farm maintenance loans and by supplying nutrient rich biomass from the mill as mulch. We use our leverage

with farmers to ensure that farm workers are paid and treated fairly. For production workers, the cramer in Asuom offers conditions uncommon in that industry: staff enjoys wages of 25-30% above local levels, registration for health insurance and social security, safe working conditions, one hot meal per day, treatment with respect and potential for personal and professional growth. The friendly yet hard working atmosphere at the cramer is testimony to that.

A powerful tool for rural development are the individual fair trade projects in the community that are discussed, agreed upon and implemented by a representative stake-holder Fair Trade Committee composed of a majority of farmers, and cramer workers and management. This in itself is a powerful mechanism for learning and development. Serendipalm charges all customers, including Dr. Bronner's, a fair trade premium, calculated at 10% on total fruit purchases and cost of labor. With a budget of currently \$50,000 / year, simple water supply systems have been the first major need for all towns that the Committee decided to address. The FT fund pays for hardware (deep wells, pumps, building, storage tanks), and the community collects a user fee that pays for maintenance and expansion. Likewise, living quarters for four nurses to work at a local hospital were completed in early 2012. FT projects do more than just install hardware; they are catalysts through which communities without access to funds learn to plan and implement development projects – on tight budgets.

For farmers and our staff who want to replant oil palm, Serendipalm supply seedlings of high yielding varieties as interest free loans. For farmers it increases income and workers who plant on family land consider the trees as a provision for their retirement. Serendipalm commits to purchasing these fruits as fair trade and organic at a substantial market premium. With its own and 3rd party demand for FTO palm oil growing, Dr. Bronner's will invest in a large expansion of Serendipalm in the project area. A larger, more efficient mill will come on line in 2013 and consume up to 5 times the current FFB volume, create additional attractive jobs, improve farm incomes and contribute to the development of an area full of natural resources and great people – but neglected by its government. For Dr. Bronner's staff and friends who have helped build the project, the greatest part is the direct, meaningful and enjoyable exchange with our Ghanaian partners – it makes us realize that trade can affect positive change if done with high integrity of motivation, and implementation of standards.



## Making Fair and Sustainable Palm Oil in Ghana

**Palm oil is a widely used, high volume and highly controversial plant oil. Its properties make it suitable for many applications in food, body care and energy use. Large palm plantations in Malaysia and Indonesia now achieve very high fruit and oil yields per unit area, making palm oil an economic choice for many manufacturers.**