

# GEOTRACEABILITY MILL SPONSORSHIP PROGRAM

## A SOLUTION FOR SUSTAINABLE CHANGE IN THE PALM OIL SECTOR

The global palm oil industry depends on millions of smallholder farmers, particularly in Indonesia and Malaysia, where smallholders manage 40% of plantation land. These growers are critical to the future of the palm oil sector and the thousands of companies that are linked to them through the supply chain.

**Smallholders are often invisible to the mills**, refineries and consumer goods companies that depend on them, however, making smallholder engagement and support—not to mention tracing product origin to ensure sustainable sourcing—extremely challenging.

In 2018, **OPTEL** and **Golden Agri-Resources (GAR)**, the largest palm grower in Indonesia and one of the largest palm oil traders in the world, launched a sponsorship program to accelerate efforts to increase traceability and transparency in the palm oil supply chain and to meet GAR's goal of achieving 100 percent traceability to plantation (TTP).

The sponsorship program gives end users the opportunity to invest in the installation of **OPTEL's GeoTraceability software** and training, enabling mill owners to **trace and engage with smallholders** and other suppliers.

*"Through the process of achieving TTP for the 45 mills GAR owns, we have connected to 11,000 smallholder farmers supplying our mills through some 70 agents. We were encouraged to see that many smallholder farmers and agents embraced traceability and are eager to interact with us to **improve quality, productivity and sustainability**,"* says Daniel Prakarsa, Head of Supply Chain Sustainability for GAR.



GAR has connected to 11,000 smallholder farmers



Smallholders manage 40% of plantation land



GAR's goal is to achieve 100% traceability

This physical traceability represents a new level of transparency in the palm oil sector and allows GAR and its downstream consumer goods company customers to buy and sell palm oil with the highest level of confidence that it came from a registered, known and trusted source.

*"Partnering with **OPTEL** has had a big impact on the way we are engaging with our suppliers. The full-service model of GeoTraceability software, on-site installation and testing, and the user training allows us to support our suppliers in capturing and sharing traceability data from the first point in the supply chain,"* says Mr. Prakarsa.

*"Our experience with **OPTEL's GeoT** solution demonstrates that given the right tools and opportunity, there is a willingness to participate in traceability and the results can inform strategies to help engage smallholder farmers and help accelerate the transformation to more sustainable practices in the palm industry."*

GAR is now sharing its experience with the 45 third-party mills from which it procures raw materials and is **calling on end users of palm oil to join in the sponsorship program.**