

# The OIL PALM

## Agribusiness in Colombia







*The world of oil palm is humid and warm, with shades of green, inhabited by hundreds of animal and plant species. But it is also a world of human and work relations where urban and rural, national and international realms come together, and where agricultural, mining and industrial activities converge. A world of sundry complementary efforts that materialize in a productive chain to create wealth and drive social development.*

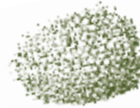


## Queen of oil seeds

*Oil palm is the most productive oil seed plant in the planet: in average, one hectare yields six to ten times more oil than other oil seeds.*



From its beginnings in the Gulf of Guinea in Western Africa - hence its name *Elaeis guineensis* Jacq. - and in America where it is known as *Elaeis oleifera*, oil palm has coexisted in harmony with other species on the tropical soils of Asia, Africa and America. Its products are present throughout the world in the form of edible oils, animal feed, cosmetics, paints, soaps, detergents, printing inks, candles, biofuels, other biomass by-products, and oleochemicals, as well as multiple commodities.



Oil palm's amazing versatility and abundant yields result in countless attributes, making it a favourite among farmers because of its plentiful nature, among consumers because of its beneficial effects on health, among producers because of its quality and stability in mixes with other raw materials, and among governments that see in it an ideal pillar for development plans, a source for employment, and an alternative source of energy. Oil palm is the expression of life, a symbol of progress and a source of wellbeing.

### Average oil yield (t/ha)



Source: Oil World Annual 2017

In 2016, oil palm production area was estimated at 18,2 million hectares, accounting for 29,7% of the world demand for oils and fats, while 119,5 million hectares planted in soybean were required to meet 24,6% of that demand.



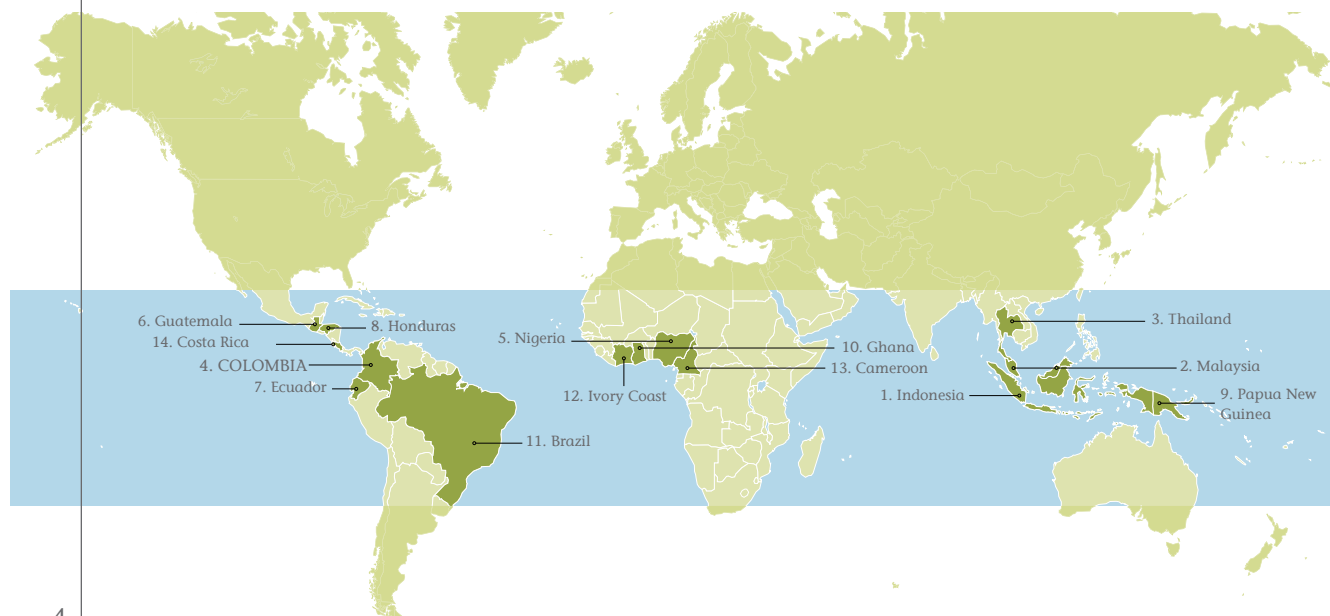


## A gift from the tropics to the world

*Few tropical plants have become so necessary as oil palm; a leading source of edible oils and fats, of alternative energy for biofuel-based machines and diesel engines, and a source of value-added biomass products and oleochemicals.*

### Large producers

Source: Oil World Annual 2017





In Africa, along the coastal strip between Senegal and Angola, and in the Congo River basin, the use of oil palm for food dates back to before the emergence of the first civilisations. In Europe, it was more widely used during the industrial revolution for lubrication and for the production of soaps and candles. Palm kernel bagasse was also used as feed for cattle.

In the Far East, where it was introduced in the 18<sup>th</sup> century, it was used for ornamental purposes, and its systematic cultivation was later developed by the Dutch and the English. The first commercial oil palm plantations were established in 1911 in Indonesia and in 1914 in Malaysia.

By the end of the 1950s, two conditions were in place to foster the crop and develop its economic potential: breeding of genetic materials, and the significant growth in the demand of edible fats in the post-war era. A great expansion of this crop took place during the 1960s, with a two-fold increase in the world supply of oil palm. In particular, the Malaysian government used the crop as the basis for its development policy, promoting mass planting. Consequently, this country became the primary exporter of palm oil in the world, taking over from Africa, which reserved the greater proportion of its output for to domestic consumption.

Malaysia's positioning as a true power in palm oil, followed shortly by Indonesia, was instrumental for the development of this agribusiness, with the dramatic increase in production and productivity driven by research, technological development and business efficiency.

Over the past 20 years, there has been a significant growth in oil palm production worldwide, from a 15.8% share of the overall supply of edible oils and fats in 1993-1994, to a 32% share in 2015-2016, surpassing soybean oil as the top yielding crop in the world.

Oil palm production has given rise to a flourishing industry in which there is a dynamic convergence of agricultural, extractive, industrial and commercial activities focused on the national and international markets. Consequently, it requires producers to adopt a sound business approach.





*Elaeis guineensis* Jacq., or oil palm, is a perennial plant that may reach a height of more than 30 meters in the wild.

## The plant



*Oil palm is a living icon of the tropics, with the characteristic exuberance, grace and robustness of all plants blessed with abundant sun and water, and its ripe fruits have the colours of equatorial dusk.*





Male and female flowers dance happily in the oil palm tree, giving birth to thousands of round, oval or long fruits that form compact bunches weighing between 10 and 40 kilograms. Before acquiring the bright reddish orange colour of the tropical sun under which they ripen, the fruits are deep purple, almost black. The single seed found in their inside, the kernel, is protected in a shell, a ligneous endocarp surrounded by a fleshy pulp. Both the kernel and the pulp are generous in their yield of kernel and palm oil, respectively.

The stem of the queen of oil-bearing trees is straight and has the shape of an inverted cone. Before ageing it is rough as a result of the leaf buds it. When it ages, although smooth, it exhibits the crisscrossing scars left behind by the almost forty withered, fallen leaves.

In its middle age, the leaves shoot out three to seven meters, almost parallel to the ground. They each consist of 250 linear leaflets irregularly stemming from both sides of the petiole. The dishevelled appearance of the leaves is one of the characteristic traits of this species.

The life cycle of the oil palm tree may extend for over 50 years, but after 20 or 25 years, its height hinders harvest and marks the start of the renewal process at commercial plantations.





## The crop

*Besides the climate and soil conditions required by the oil palm, highest yield capacity depends on the quality of the seeds, rigorous selection of the seedlings in the nursery, preparation of the planting area, establishment of a cover crop, fertilisation, and adequate phytosanitary management.*





Palms planted for commercial use require great care and sufficient protection in order to ensure their growth and development into the productive and yield stages as soon as possible. However, good management is not required exclusively during unproductive years: throughout the entire life cycle, oil palm require protection against competition for water, light and nutrients from other plants. It requires these inputs in sufficient amounts and at the right time, as well as appropriate sanitary management. Cutting of leaves and bunches must be performed carefully to avoid injuries to the palm.

For these reasons, oil palm cultivation requires workers with different skill levels and a broad range of expertise. Field workers know that careful handling of the fruit during harvest, gathering and transportation, as well as timely processing, are critical determinants of final oil quality.

Plantation layout, including lots, paths and canals, as well as the location of the mill, are key for expediting cultivation, maintenance, harvest and final delivery of the fruits to the processing site.





## Oil extraction

*Processing of oil palm fruits takes place at the mill, where crude palm oil and palm kernel oil are extracted.*





The process consists of sterilisation, separation, soaking, extraction of the oil from the pulp, clarification and recovery of the kernels from the bagasse. Two products are obtained from the palm kernel: palm kernel oil and palm kernel meal, the latter being a highly valuable source of animal feed.

Considering the perishable nature of the oil palm fruit after harvest, crops must be located close to the mill. Each crop or groups of crops, plus the milling facilities, constitute an oil palm nucleus.

With the exception of Africa, where there is mass consumption of crude palm oil, in the rest of the world the oil undergoes a process of refining which consists of moisture reduction, bleaching and deodorising. Some mills bring it to the market in that form, although it is more common to bring it to the consumer in a mix with other vegetable oils.

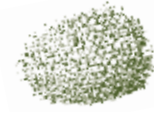
Two products are obtained from palm oil fractionation: palm olein and palm stearine. The former remains in liquid form in warm climates and may be mixed with any type of vegetable oil. The latter is the more solid fraction and can be used as material for fat production, mainly margarines and soaps. The properties of each of the palm oil fractions account for the versatility and the countless applications of this product.





## Palm oil

*Palm oil is present in everyday life much more than we think. At home, at the office, in restaurants and even in motor vehicles, this oil is there in multiple forms and its uses grow at the same pace as inventions, the search for healthy food, the hectic pace of modern life, and the options for use in oleochemicals.*



In the words of Ca'da Mosto, a Portuguese adventurer of the 15<sup>th</sup> century when he tasted palm oil in Africa, "it has the smell of violets, tastes like olives and, like saffron, gives colour to food, although it is far more alluring."

The tropical red colour of crude palm oil reflects its high content of carotenes (vitamin A), seventeen times higher than the carotene found in carrots, weight on weight. This makes it one of the richest natural source of these vital elements and, therefore, an excellent alternative to fight vitamin A deficiency, which affects the vast majority of the population in many developing countries.

Tocopherols and tocotrienols (vitamin E fractions) are important nutrients found in palm oil. Together with carotenes, they play a role as antioxidants to reduce cell damage caused by toxic substances or environmental contamination which accelerate ageing and promote the development of certain diseases. Moreover, palm oil is also the best source of tocotrienols, potent anticancer and anti-thrombotic agents.

The "golden oil", as it is also called in Asia, is unique in terms of its perfect balance between saturated and unsaturated fats, which means that it has no negative effect on cholesterol levels of end consumers.

Although unaware of all its good properties, people in Africa have used it for 5,000 years in their diet. Today, as in the past, palm oil is consumed in its crude, unrefined form in many countries in that continent.





## Multiple uses

### *Healthy versatility*

Because of its physical composition, palm oil may be used in multiple preparations without the need for hydrogenation, a process that gives rise to the formation of the undesirable trans fatty acids that are precursors to conditions such as diabetes and heart disease, among others.

This characteristic, added to its consistency, appearance and smell, as well as its resistance to breakdown, make it an ideal ingredient for the manufacture and preparation of a vast array of foodstuffs, and the best option for margarine and fats for use in baking, dry mixes for cakes, biscuits and pastries, or for soups and sauces. It can also be used as milk fat substitute for the production of condensed milk, powdered milk, non-dairy creamers for coffee, and ice cream.







Palm oil is also a top choice for frying because it is resistant to high temperatures and does not produce unpleasant odours. It is used in homes and restaurants and in commercial production of crisps, french fries, pop snacks, pasties, fritters and doughnuts, among others.

On the other hand, palm kernel meal, a by-product of oil palm, is used in the production of animal feed or as a supplement in animal nutrition. Palm kernel oil, though derived from the same fruit, is very different from palm oil but similar to coconut oil. Semisolid or solid at ambient temperature, it melts at a temperature greater than 30°C and, in contact with the mouth, it provides a soft sensation similar to that of cocoa butter. This makes it especially appealing to chocolate lovers. It replaces cocoa in chocolate preparations, just like it replaces milk fat due to its neutral flavour and long shelf life.

Creams made from sugar, powdered milk and palm kernel oil are used as fillings for pastries, biscuits and cakes to make them softer and provide the sensation of cream melting in the mouth. Special palm kernel-based margarines and other ingredients are used to add volume, a soft texture and prolonged shelf life to baked products such as pastries, croissants and bread. Other products enhanced by palm kernel oil include toffees, coffee creamers and peanut butter.





## Other applications

*Palm-derived oils are used in high economic value non-edible products and, in many cases, they are substitutes for petroleum.*



Palm and palm kernel oil are special feedstocks for oleochemicals such as fatty acids, fatty esters, fatty alcohols, fatty nitrogen compounds and glycerol. In recent years, they have made important headway in biofuels.

Already in 1900, Rudolf Diesel used vegetable oil to drive the engine that carries his name. Years later, palm oil was found to be suitable for that application, with significant environmental advantages over fossil fuels (fuel oil).



Colombia is producing palm biodiesel. In a blend with diesel, it can move thousands of vehicles and machines that use diesel engines in the country, with benefits for the environment, job creation and renewable energy supply.

Non-edible applications for palm and palm kernel oil include:

- Soaps and detergents
- Candles
- Cosmetics
- Grease for spreading on pans and bread production equipment
- Grease for protection of tanks, pipes and the likes for outdoor operation
- Drilling mud
- Epoxy palm oil used as plastifier and steriliser in the plastics industry, in particular for PVC
- Gum
- Printing inks
- Biodiesel
- Metallic soaps, for the production of lubricant grease and metal dryers
- Cold rolling of steel plates
- Tin sheets
- Acids for fibre lubrication in the textile industry



Apart from the fruit, other palm products may be used in industrial operations: leaf fibres and empty bunches, when processed, are used for producing boards and veneers; additionally, at the time of plantation renewal, old trunks may be used for making furniture.



**Departments with oil palm in Colombia**

- With oil palm
- Without oil palm

Order	Department
1	Meta
2	Cesar
3	Santander
4	Magdalena
5	Casanare
6	Bolívar
7	Norte de Santander
8	Nariño
9	Cundinamarca
10	Vichada
11	La Guajira
12	Antioquia
13	Cordoba
14	Choco
15	Sucre
16	Cauca
17	Caqueta
18	Atlantico
19	Arauca
20	Caldas
21	Tolima

## Oil palm production in Colombia

*Colombia ranks top in America and fourth in the world as producer of palm and palm kernel oil. Oil palm crops are among the most promising agricultural activities as drivers of national development.*

Of the net area planted in oil palm, 98.8% is distributed in nine departments, as follows: Meta (30.7%), Santander (18.5%), Cesar (16.2%), Magdalena (9.4%), Casanare (8.6%), Bolivar (6.9%), Nariño (4%), Norte de Santander (3.5%), and Cundinamarca (1%). The remaining 1.2% is in Antioquia, La Guajira, Cordoba, Cauca, Choco, Caqueta, Sucre, Atlantico, Arauca, Caldas, Vichada, and Tolima.

*Elaeis guineensis* was introduced in Colombia in 1932, but commercial crops only took off after the second half of the 20<sup>th</sup> century, as a result of steps taken by the government for developing rural areas and meeting domestic demand with locally produced palm oil supplies.

Under the official promotion plan for oil seeds, oil palm was planted in the northern flat lands, the middle Magdalena River Valley, the foothills of the eastern plains and in southwestern Colombia. The individual work of the producers and the endeavours of their association, the National Federation of Oil Palm Growers - Fedepalma - was also instrumental in developing and consolidating this agribusiness.

As a result of those endeavours, planting trebled in the 1980s and oil palm strengthened its position as the main raw material in the productive chain of oil seeds and oils and fats in Colombia. In the 1990s, efforts were focused on building the competitiveness of palm companies and creating the trade institutions that could become the launching pads for growers in the 21<sup>st</sup> century.

Palm and palm kernel oils account for 94.1% of the domestic production of oils and fats, and close to 66% of the consumption of these products. Likewise, sales to foreign markets have grown significantly since 1990, achieving an important share of the country's agribusiness exports. Although the commissioning of biodiesel plants increased the share in the domestic markets, exports will also rise as a result of increased production from new plantings in the near future.



## Environmentally responsible crop

*Colombia is one of the few “megadiverse” countries in the world. Its vast natural wealth is present not only in Natural Parks and in other protected areas, but also in productive agricultural systems. In particular, oil palm plantations are sanctuary to a diversity of plant and animal species, and ecosystems of high conservation value. In Colombia, the oil palm sector is committed to the sustainable development of this activity, in harmony with the environment, and ensuring the protection of the country's Natural Heritage.*

In Colombia, oil palm crops have been established in areas that had been previously cleared for cotton, rice and banana crops, or for pastures introduced for cattle raising. Hence, they have had minimal impact on natural forests and biodiversity.

Well-managed oil palm plantations have been considered one of the most favourable productive agricultural systems for local biodiversity, given their low impact on soil and water due to their tree-type structure and perennial nature. Because of their similarity to a planted forest, they play important ecologic roles such as carbon capture during their 25-30 years of productive life, local microclimate regulation, wild life corridors, and connectivity between natural ecosystems.

Oil palm plantations and palm oil mills have been significantly reducing their environmental impact by lowering their water and energy footprint and by finding value-added applications for biomass by-products, such as biochar, pellets, compost, boards and veneers, and renewable energy production. Their long-term objective is to achieve zero-waste management in their operations.





## Social oil palm

*Oil palm is a source of economic and social development for the communities in which it is grown.*

By 2017, oil palm crops were present in 152 municipalities in 21 departments in Colombia, creating nearly 160,000 jobs for the benefit of thousands of families. A study conducted by Fedesarrollo called “Characterisation of employment in the Colombian oil palm sector” revealed that this productive activity creates formal, stable jobs, resulting in improved quality of living for the workers and their families.

The sector is one of the primary drivers and outstanding examples of Productive Strategic Partnerships between large, medium and small holdings, promoting adequate use of the soil and competitiveness in the agribusiness sector. Around 133 partnerships have been set up in the four oil palm growing regions, representing more than 65,000 hectares planted in oil palm.

Close to 4,500 small producers are also part of this sector and they account for more than 51,000 hectares. This means that the oil palm sector is highly representative of social and economic inclusion in rural Colombia.

Likewise, oil palm growers have developed social programs focused mainly on comprehensive support for the families, including infants and the elderly. At present, eight foundations established by the business community bring progress and wellbeing to the areas where oil palm is grown.





## Fedepalma and organized palm growers

*In order to act in furtherance of the interests of its members, Fedepalma identifies their needs and values their expectations. Its mission is to bring oil palm growers together and provide them with guidance in all areas pertaining to their activity.*

Colombian oil palm growers gather under one of the most sound and dynamic associations of the agricultural sector: the National Federation of Oil Palm Growers - Fedepalma. Fedepalma's work has been instrumental for the consolidation of this agribusiness in Colombia.

Fedepalma is a business organization. Since its inception in 1962, it has promoted all types of activities designed to increase the competitiveness of the sector, prioritising those activities that producers and other players are unable to undertake efficiently on their own.

As a business association, the Federation analyses all risks inherent to the business, conducts market analyses and prospective exercises, explores alternative uses, warns about the reality of oil palm activity so that oil palm growers may make their investment decisions based on ample, real, timely and sufficient information.

To achieve those goals, the Federation strives, at a strategic level, to ensure the competitiveness of the sector and the wellbeing of the affiliated growers through a value offering to help overcome palm health problems, increase productivity, optimise revenues, identify opportunities and business improvements, and provide a strong organization with the ability to protect the interests of the sector.

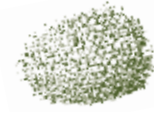


## Shaping the future

*Fedepalma designs policies and defines strategies consistent with the requirements of the times, and which cater to the needs of the business and the expectations of both producers and entrepreneurs. At the same time, it draws roadmaps for the competitiveness and sustainability of oil palm into the future.*







Up until the 1980s, Fedepalma focused its activities on reaching agreements with several government administrations on better conditions for oil palm development and for commercializing its products. In the 1990s, the expansion and consolidation of the oil palm agribusiness required new efforts from the Federation to strengthen oil palm research and boost actions and tools to secure greater competitiveness for domestic oil palm production and a stronger position for domestic and international trade within a context of economic aperture.

Recent times have brought a growing concern in different societies for their own health and for the health of the planet. In this new world context, there are great opportunities for oil palm, given that its characteristics allow it to adapt to countless uses, ranging from feedstock for a whole range of healthy foods, petroleum substitution in diesel engines, to its uses in biochemistry and biomass industries, with the resulting benefits for the environment.

Fedepalma encourages its members to implement actions in response to this new global outlook, and works on the development of environmentally friendly projects designed to diversify the use of palm oils in the domestic and foreign markets. The Federation also carries out training and education activities and promotes technical assistance for all levels of the productive process, actively participating in preparing course contents.

As a result of these endeavours, the Colombian oil palm sector is now organized around an important structure consisting of research and commercial bodies. Like Fedepalma's special programmes, these organizations are governed by clear business criteria. In their activities, they follow the strategy determined by the association's policies and relentlessly shape and build competitiveness and future sustainability for the oil palm business.





## Research and transfer of technology

For Fedepalma, it is clear that two key elements to the sector's competitiveness are research and transfer of technology. Driven by this conviction, it created the Oil Palm Research Center Corporation, Cenipalma, in 1990. This organisation eventually became the strategic path to the solution of the phytosanitary problems affecting oil palm crops and the source of effective scientific tools for the advancement of yields, quality and costs.

Consequently, it can be stated that, in Colombia, oil palm research seeks to promote competitiveness, ensure sustainable development and allow the sector to fulfill its social role and secure quality products.

Cenipalma implements technology transfer programmes in the areas of biology and genetic breeding, oil palm disease, integrated pest and pollinator management, integrated water management, integrated soil management, crop physiology and nutrition, irrigation, production of varieties adapted to Colombian conditions, benchmarking, and productivity of the milling processes for the extraction of palm oil and its by-products. In addition, it supports the diffusion of information about the sector, specially regarding the uses and benefits of palm oil in human health and nutrition.





Fedepalma and Cenipalma's commitment to science and technology led to the inauguration in 2004 of Palmar de La Vizcaína Experimental Field located in the Central oil palm zone, in the town of Barrancabermeja. The main goal of this project is to underpin research to support the development of improved oil palm materials adapted to the soil and climate conditions of the different regions of Colombia, and to develop agronomic projects based on efficient crop management.

More recently, this field of action has been expanded to experimental estates in the Northern zone (Palmar de La Sierra), the Eastern zone (Palmar de Las Corocoras) and the Southwestern zone (Tumaco), where research projects and programmes related to sanitary issues, water management, mills and other aspects will be conducted.



### Oil Palm Development Fund: a guarantee for sectorial programmes

The Oil Palm Development Fund, created in 1994 by a Colombian National Law, is a mechanism that ensures funding for a significant portion of general interest programmes in the oil palm sector. It is fed by mandatory taxes paid by all crude palm and palm kernel oils producers, and it is managed by Fedepalma.

The Fund's main authority - as is the case also with the Fund for the Stabilisation of Prices for Palm Kernel, Palm Oil and its Fractions (FEP Palmero, acronym in Spanish) - is the National Oil Palm Growers Congress, which represents all producers listed in the National Palm Growers Registry. The Congress meets at least once every year to oversee resource investments and to establish operation guidelines for the funds. Moreover, it designates the members of the Steering Committee of the two funds.





## Trading

In the world of oil palm there are those that focus exclusively on oil palm cultivation, others that only participate in the milling process, and some that do both things. Thus, oil palm agribusiness yields several products:

- Oil palm fruit
- Crude palm oil
- Palm fruit almond or kernel
- Crude palm kernel oil
- Palm kernel meal



For years, oil palm products have been sold in the international market. This explains the great adaptability of the palm agribusiness to the changes and new demands of economic globalisation.

Palm and palm kernel oil trade is governed by the relationship between supply and demand in the oils and fats market. In the domestic market, the supply of these products varies according to harvest peaks or increased fruit production, storage capabilities of the producers, their decision to export, and their discipline in relation to potential buyers. In turn, their demand follows the consumption of oils and fats, management of inventories by industrial producers, palm oil's competitiveness relative to similar products, and macroeconomic policies that favour or limit their importation. In this regard, success in the market depends on decision-making, discipline and coordinated action by organized producers.



In the late 1980s, oil palm production exceeded local consumption, creating the need to develop new foreign markets and regulate domestic supply. This prompted Fedepalma to create, in 1991, the Palm Oil Trading Company, C.I. Acepalma S.A., that took on the job of channeling the effort of marketing oil palm products. It has helped develop expertise and exporting capabilities among oil palm growers in Colombia.

Later on, Fedepalma worked to organize the Fund for the Stabilisation of Prices for Palm Kernel, Palm Oil and its Fractions, a parafiscal mechanism that receives contributions from the oil palm sector itself. Its essential aim is to stabilise the revenues of the domestic producers of crude palm oil and palm kernel oil.

As a result of the strong supply of palm oils, and driven by the Federation's commercialization strategies, its destination markets have diversified since 1995 mainly towards countries in Europe and America, using the commercial advantages enjoyed by these Colombian products thanks to numerous free trade agreements signed by our country in recent years.

This has also fuelled an increase in exports of processed products, which account for 23% of the sales of Colombian oils and fats in foreign markets, and has fostered improvements in export logistics and infrastructure through storage capacity expansion for bulk liquids at the ports.

Fedepalma has also played an important role as facilitator for the placement of Colombian oil palm products in international markets through its support to negotiations of commercial agreements between the national government and other countries.





## Other strategic programmes

*Colombian oil palm growers have the intent to position their sector in the domestic and international markets with competitive products that exceed the most stringent quality standards. This requires focusing resources and activities on fundamental areas, including training, and economic and market studies, which Fedepalma develops as strategic programmes.*





**NATIONAL PHYTOSANITARY MANAGEMENT PROGRAMME.** The challenging phytosanitary problem reflected in the crises caused by pathogens and diseases, including bud rot in some areas of Colombia, has required the design of a comprehensive strategy and coordinated work by multiple players. The Federation plays a leading role in the sanitary front area through research and technical outreach, and supplements this action through coordinated management among companies at a regional level. The programme also works in coordination with national and departmental sanitary authorities.

**TECHNOLOGY TRANSFER AND TRAINING.** Cenipalma, the Oil Palm Research Center, is committed to the productivity of the oil palm sector. It works on the introduction of resistance genes, mainly of the disease-resistance type, in order to adapt them to the conditions in Colombia. All research results are subject to technical and economic validation. Once they are validated, they are communicated to the growers through outreach settings and activities, including training and transfer of technology, education and support to the Technical Environmental and Social Assistance and Audit Units (UAATAS) of the oil palm companies.

Cenipalma also provides oil palm growers with various technical services through its Specialized Technical Services Division.

**MONITORING AND ANALYSIS OF THE ECONOMIC ENVIRONMENT.** The challenge posed by ever-changing markets requires the oil palm sector to be able to recognize macroeconomic and sectorial conditions in order to make better decisions. For this reason, Fedepalma remains abreast of the market situation, analyses the behaviour of the different oils and fats in national and international markets, conducts prospective studies and undertakes projects designed to provide oil palm businesses with effective planning tools.

**STRATEGIC COMMERCIAL MANAGEMENT.** The search for new uses and markets is critical for palm oil production in a globalised world, in order to secure better value for the producers. Fedepalma develops strategies designed to identify opportunities in line with market trends. In this area, the Federation creates and disseminates bold campaigns for market penetration following competitiveness and sustainability parameters.





## DESIGN AND PROMOTION OF PUBLIC POLICIES FOR THE DEVELOPMENT OF THE SECTOR.

Fedepalma is constantly monitoring fiscal, financial and development conditions in order to meet the needs of oil palm growers. It identifies credit lines that facilitate and promote sectorial development and works to improve knowledge of the oil palm agribusiness among government and financial players, in order for them to promote policies designed to foster competitiveness for growers and producers alike.

**HUMAN HEALTH AND NUTRITION.** The Federation generates and disseminates scientific knowledge regarding the consumption of palm oil and its derivatives, and the nutritional value and uses of those products. It also monitors national and international regulations related to the consumption of oils and fats.

**SECTORIAL ENVIRONMENTAL MANAGEMENT.** This programme guides oil palm growers and mills in the adoption of an environmental sustainability model designed to prevent and mitigate environmental impacts, to protect ecosystems and wildlife in oil palm areas, and to optimise the use of natural resources within a framework of sectorial competitiveness. To achieve these goals, it seeks to incorporate the environmental dimension into every development phase of an oil palm project: during the feasibility analysis phase, to ensure new crops will not affect ecosystems and species of high conservation value, and that they will be located in suitable areas for oil palm with adequate soil and climate conditions and enough water supply for 30 years; during the site-specific design phase, to ensure oil palm landscapes are more in harmony with their natural environment (protecting riparian forests and preserving corridors and other landscape elements favourable for biodiversity); and during the management phase, incorporating good agroecological practices as well as pollution prevention and cleaner technologies in both crops and mills. Moreover, this programme promotes the adoption of international sustainability standards such as those of the Roundtable on Sustainable Palm Oil (RSPO).

**MANAGEMENT FOR SOCIAL RESPONSIBILITY.** Fedepalma fosters good practices in workplace relations, respect for human rights, responsible supplier management and community development, as part of its sustainability model, which focuses on profitability and economic viability through the creation of social, economic and environmental value. This requires working hand in hand with oil palm growers to identify gaps in these areas, to generate information, and to design policies to strengthen the progress of oil palm activity towards sustainability.

## MANAGEMENT OF REGIONAL INFRASTRUCTURE OF SECTORIAL INTEREST.

This programme focuses on improving productive, physical and social infrastructure in oil palm areas for the furtherance of competitiveness and wellbeing. It also covers the implementation of the management model at a regional scale, as well as the development and management of key regional projects for the oil palm sector.

## OIL PALM SECTOR STATISTICAL INFORMATION SYSTEM (SISPA) AND OIL PALM DOCUMENTATION AND INFORMATION CENTER (CID PALMERO).

These areas in Fedepalma provide current, reliable and timely information to meet the needs of this agribusiness, aiming to enhance its competitiveness and sustainability. The former is a solid statistical information system on the palm oil sector, and the latter is the most comprehensive collection of national and international publications covering impactful topics for the sector.





## Action for its members

**F**edepalma brings together and represents oil palm growers in Colombia, working to protect their interests and promote oil palm development.

**E**specially, it conducts research and analyses of technical, economic and political matters pertaining to the oil palm sector and its environment, in order to assess the conditions and forces at play in its development. It also does benchmarking and works to enhance competitiveness and sustainability of the oil palm sector.

**D**isseminates the information that it gathers to ensure that its members and other sectors related with the oil palm business can make informed decisions.

**E**stablishes and promotes policies, strategies and activities designed to create or ensure suitable conditions for investment, production or marketing, as drivers for the development of oil palm in Colombia.

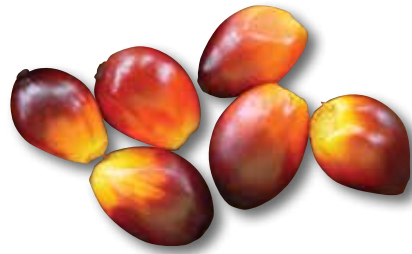
**P**romotes relations, partnerships and agreements with other agents in the oil palm agribusiness chain in order to secure its share in the oils and fats market and to strengthen its position.

**A**ssists the National Government with the study of the problems of the oils and fats industry and their solutions, in particular those regarding the production and use of palm oil and its by-products.

**L**ooks to public and private, national and foreign institutions to support projects that contribute to the advancement and improvement of palm agribusiness or that facilitate the activities of its members. In particular, Fedepalma promotes training and education at all levels within the sector.

**M**aintains permanent ties with similar organisations and research institutions around the World, in matters relates to oil palm crops, and to the production and commercialization of palm oil.

**A**dopts a leading role in oil palm agribusiness projects geared at furthering the advancement and development of the country, and organises oil palm growers and companies around those initiatives.



## Fedepalma, serving oil palm growers

Members of Fedepalma enjoy several advantages, including the following:

- Influence on sectorial development policies and other strategic decisions that set the stage for oil seed agribusiness in Colombia.
- Timely access to comprehensive and relevant information, as well as to studies and analyses of sectorial matters conducted by the Federation.
- Participation in congresses, seminars, courses, conversations, field trips and other activities that constitute learning and training opportunities, as well as excellent settings for the exchange of experiences and opinions, and for building consensus.
- Full-fledged membership in Cenipalma and the opportunity to participate in other programs created or developed under the guidance of Fedepalma.

### Who can become a member?

Any individual or corporation working in oil palm cultivation or milling in Colombia, duly included in the National Oil Palm Growers Registry, accepted by the Board of Directors of the Federation, and willing to abide by its statutes and Code of Ethics and Good Governance.

For more information on the requirements and procedures for membership, please contact the General Secretariat or the Institutional Affairs Office at Fedepalma. Phone: (571) 3138600, Ext. 1203.



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[www.fedepalma.org](http://www.fedepalma.org)