



# Traceability in the Palm Oil Supply Chain

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Enterprises are accused of "Green Washing" despite sustainability certification systems.

**Lack of granular supply chain data** to prove **NDPE compliance.** 

Industry spends millions in managing sustainability certifications yet the premiums are far too little.

#### -MAJOR CHALLENGES-



Small holders, who produce 40% of palm oil not visible in the supply chain (less than 2% of global supply of sustainable palm oil).

No real-time collaboration in supply chain

Thus, no real-time visibility and traceability to validate sustainability claims

Tredepalma 60 Recenipalm





### What is the urgency?

1



#### **New Food Safety Regulation by 2023**

The Food Safety Modernization Act (FSMA), mandates recordkeeping requirements for clear **tracing of a food products'** source to tackle food safety risks. First major federal food safety legislation since 1938.

2



#### **EU: European Green Deal - Farm to Fork Strategy**

This Strategy aims to make food systems fair, healthy and environmentally-friendly. **New technologies and scientific discoveries**, combined with **increasing public awareness** and demand for **sustainable food**, will be mandated. The **EU will implement** transition to **sustainable agri-food systems** through its trade policies and international cooperation instruments.

3



#### UK: Law to mandate Supply Chain due diligence is being passed at a faster pace

When passed, the law requires companies carrying out commercial activities in the UK with a certain turnover threshold, to:

- ★ only use 'forest risk commodities', produced anywhere in the world
- ★ carry out supply chain due diligence to check for risks of illegal deforestation in their supply chains; and publicly report on their due diligence.







#### EU regulation on deforestation-free products

- 1 The commission and the EU Parliament needs to agree to the proposal (Or make changes before it can be adopted by both parties)
- If the proposal is adopted without change, businesses will have to comply with all requirements as from 12 months from the entry in to force of the regulation









The most comprehensive 'Digital Ecosystem' for the entire Sustainable Palm Oil Industry









#### **INTRODUCTION TO SaaS Benefits**







#### PREMIUM 'SaaS' MODULES FOR ADDITIONAL VALUE

- √ Improve productivity
- ✓ Easily maintain digital documentation of supply chain
- ✓ Increase OER/Yield through data analytics
- ✓ Communicate with partners
- ✓ Blockchain based immutable data to avail benefits

Traceability (Prove Source,Track Supply Chain



Private Blockchain (Immutable Records)



Digital Workflow (Improve Efficiency)



Trade Document Management (Digitalization)



Certificate Management (Verify Certificates)



Connected ERP (Connected to Trading Partners' System)



Geo-Spatial Analytics (Optimize Inventory & Reduce Cost)



Mini ERP For SME/Smallholders (Digital Transformation)



Marketplace (Expand Sales)



Secured & Contextual Communication (no more Email/Fax)









#### **CURRENT MANUAL PROCESS**

Receives Targets and harvests FFB's. Unloads all the FFB's in the common area.



Notes all the FFB's received per harvester in the logbook and the numbers in loaded on to the truck



All records noted in the plantation office (manual)











#### **CURRENT MANUAL PROCESS**

TOO MUCH PAPERWORK TO CONFORM TO REGULATIONS & BOOK KEEPING IS TEDIOUS

#### **Plantation Office**

Generates a slip with FFB count for the Oil Mill or FFB Dealer



#### **Transport**

1.Carries a slip to the mill or dealer.2.Receives the FFB's and based on quality pays the supplier.

_				
	FFB DESPATCH NOTE			
	ESTATE :DESPAT	DESPATCH TO:DATE ;		
	Year of Planting:	RECEIPT		
	Ramp/Phase:	Weighb. Ticket No:		
	Vehicle No:	Net Weight:		
	Time Despatch:	Time Arrival:		
	SECURITY CHOP - DESPATCH	SECURITY CHOP - RECEIVING		

#### Oil Mill/ Trader

Generates a slip with FFB count for the Oil Mill or FFB Dealer

MILL WEIGHT	MILL WEIGHTBRIDGE TICKET						
VEHICILENO	GRN NO	MATERIAL	ПМЕ	WEIGHT			
				Gross:			
Location:				Tare:			
Transporter:				Waste:			
Grouping:							
Grade:				Diff:			
DO Number				Nett:			









#### DIBIZ DIGITALPIPETM

#### Harvester

Mobile app for harvesters where they can view targets and upload harvest count.



#### Checker/Trucker/Supervisor

Mobile app for harvesters where they can view targets and upload harvest count.



### All records noted in the plantation office are now digital

1.All the logbook details transferred to Plantation dashboard and helps maintain details based on RSPO/ MSPO/ ISPO specifics.

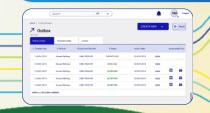
2.Mill or dealer can share the quality report and pricing details through DIBIZ and form a collaborative ecosystem.



Plantations now can create digital slips where they can track every detail.









Even transporter can carry the detail and track the start and end points. PLANTATION OFFICE







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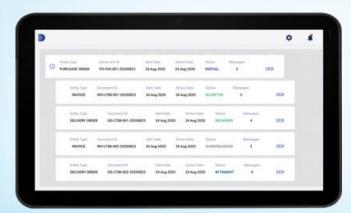




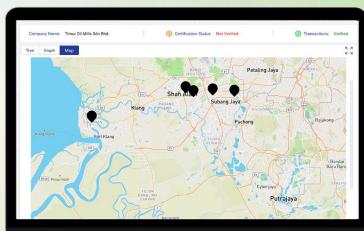








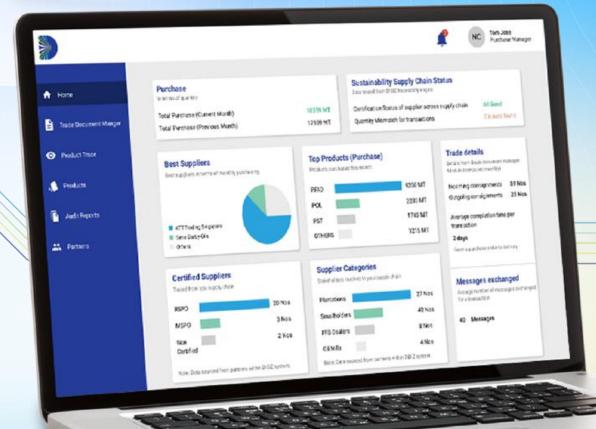




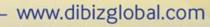








Sample Dashboard (Customizable)









# EMPOWERING YOUR SUSTAINABILITY GOALS

DIBIZ pledges 1% of its Revenue for Supporting Smallholder Adoption of Sustainability

DIBIZ platform can empower you to accomplish 11 out of 17 UN SD Goals through industry wide collaboration.









































#### **NOT just a Traceability platform**



Transactions are generated and auto-compiled from day-today work activities; no need of manual compilation of data at the end of the month (saving many days of work for the staff



Value beyond traceability; generate digital records of production and monitor productivity of personnel



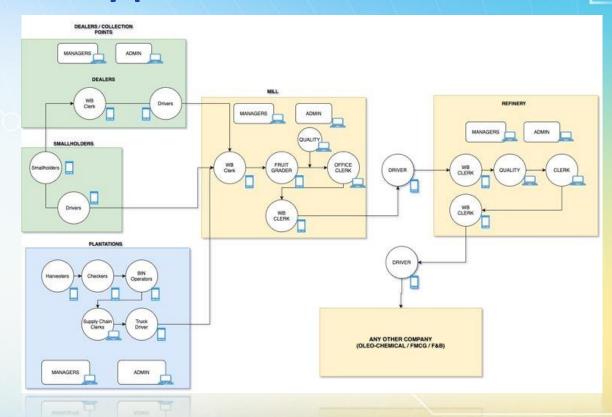
Real-time reconciliation of products – identify pilferages, if any

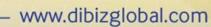


Checks & balances across the supply chain for monitoring fraud and inaccurate data



Improve performance, Yield & OER from Data Analytics thus resulting in ROI of more than 10x



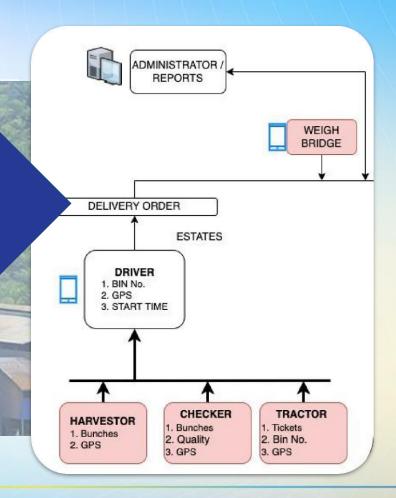


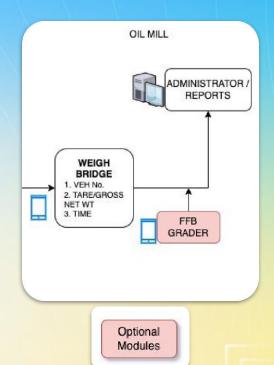


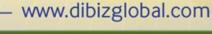




TYPICAL USE CASE: OIL PALM ESTATES TO AN OIL MILL - WORKFLOW















# Value for Plantations from SaaS



- ✓ Easy to use mobile apps for all plantation workers (works even without cellular network)
- ✓ Maintain digital records of transactions for regulatory compliance at lowest cost; traceability to the tree/block
- ✓ Digital audits can automatically identify pilferage
- ✓ Monitor yield and productivity of farm

A mere 1% avoidance in pilferage of FFB for a 1000 ha plantation can result in a ROI of 250% investment on DIBIZ/year

- ✓ Get insights on quality & quantity of fruits harvested by workers
- ✓ Get real-time Traceability with Geo-spatial data and improve sustainability credential for increase in revenue
- ✓ Reconcile Weigh Bridge & Quality grading reports generated by the buyer (typically a Mill) to every delivery order transaction

It costs less than half the salary of a Clerk to implement DIBIZ platform











- ✓ Increase profits by improving productivity through collaboration with Planters & Smallholders (harvest high quality agri-products through joint scheduling)
- ✓ Digital records of transactions with Smallholders/Planters can provide insights on quality of agri-products received and effectively manage payments based on quality
- ✓ Get real-time Traceability with Geo-spatial data and improve income from selling CSPO

PALM OIL MILL - A 0.1% percentage point increase in OER for a typical Palm Oil Mill can result in a ROI of >10x investment on DIBIZ

- ✓ Verify your suppliers' sustainability credential for every trade automatically
- ✓ Reduce manual data entry and avoid errors in record keeping for all users in the system (production information, weighbridge clerk, trade documentation, trace)
- ✓ Digitally attach WB data and Quality inspection report to every transaction automatically

It costs less than half the salary of a Clerk to implement DIBIZ platform









# Value for Refineries /Oleo from SaaS



- ✓ Instant implementation of Digital Traceability System at Low Cost
- ✓ Real-time traceability to the plantations purchase with trust
- ✓ Trade documents exchange can improve human efficiency and avoid costly errors
- ✓ Tools to help manage SG and IP supply chain models easily

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It costs less than half the salary of an Officer to implement DIBIZ platform











- ✓ eLearning for educating on Sustainable practices
- ✓ eWork for carrying out daily activities through a mobile app; 100% digital workflow
- ✓ elnsights Monitor Yield through digital trade data analytics
- ✓ eRecords of weigh bridge and grading report from Mills instantly available on the phone

- ✓ eView for visibility to daily market pricing for negotiating better rates for their produce
  - ✓ Easy access to low-cost financing from Govt/Banks/Fintech Possibility of availing direct benefit transfer from Governments, MNCs as incentives for practicing sustainability









#### **DIBIZ - Empowering Smallholders**





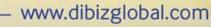


#### **DIBIZ PILOT TRIAL IN COLOMBIA**













Sectoral Traceability
Model for Colombian
Palm Oil Supply Chain
Advances and results







#### **SWOT Analysis**





- →Easy to handle app and platform
- →Doesn't require users with high education levels
- →Accessible technology to growers
- →Allows sharing and displaying Info in real time
- →Useful and clear dashboards

**Strengths** 



→Poor access to Internet on rural areas

Weakness



- → Aligned to global trends
- → Faster and reliable transmission of information
- →Growers have access to key information (shipping, weight, quality)
- →Individual supplier analysis

**Opportunities** 



- → Dependency of QRs to offline operation
- → Notification in English, more difficult for users
- →Important to easily connect to ERP platforms
- → Necesssary to make adjustments to quality and weight criteria

**Threats** 







#### **Supply Chain Transparency**

- → Blockchain technology
- →Lower operational risk
- → Reliable process
- → Alignment to Colombian palm oil supply chain

#### Connectivity

- → Connects all stakeholders of the value chain
- → Easy to handle app for all kind of producers
- → Promotes collaboration networks (messages, reports, media)

## DIBIZ The Most Aligned Platform Logyca © fedepalma 60







#### Safety of information

- →Encrypted data, high safety level
- → Provided data are private
- →Access through mobile number, not e-mail
- → Authentication of users to grant access

#### **Traceability**

- → Real time traceability & geolocation to support sustainable supply
- →Transparency and clear information along the value chain
- →Inclusive technology, accessible & easy to use for small growers
- →Clear trade conditions, doble-way information (Mills-suppliers)
- → Alignment to Colombian palm oil traceability sectoral model (GLN, GTIN, multiple participants).









#### **DIBIZ - Pilot - Field - Results**



1

Pilot showed the importance of reliable and robust technologies to support processes and transactions for extraction mills

- →Access to real time and digital information
- → Higher manageability of fruit suppliers
- →Business intelligence and access to markets

2

#### Field trials allowed:

- → Assess the technology adoption of growers-suppliers
- →Identify new elements to enrich Colombian sectoral traceability model

3

Results contributed to develop and adjust assessment tools for extraction mills, to:

- →Identify gaps and weaknesses of processes related to traceability
- → Analyze traceability levels of current platforms and technologies used by the mills
- → Create recommendations and improvement plans







#### **Assesment - Plans - Support**







- →GS1 assessment tool adapted to Colombian palm oil chain
- →20 extraction mills engaged
- →Individual, regional and aggregated analysis



#### **Define Work Plans**

- → Recommendations to improve processes, building capacities and adopt technologies
- → Prioritized actions-agreed with companies



#### Support and follow up to develop plans

- → Continuous advisory (Fedepalma-Logyca)
- → Key issues (processes, formats, training, change management)
- →Introduction to new technologies (DIBIZ as recommended) or improvement of current platforms



#### **Information Analysis**

#### Sources

- → Document
- **→**Template



#### **IT Capacity Building Platforms**

- → Platforms (Traceability, ERP, others)
- →Collection of Info

Introduction and orientations(DIBIZ)







#### **DIBIZ PILOT TRIAL IN MALAYSIA**















#### **DIBIZ FEATURES - SMALLHOLDER**

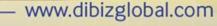
DIBIZ makes it **easy to monitor harvest information** daily, **Scheduling FFB** and referring to **MPOB prices.** 

- Improve Smallholder performance to get better daily results.
- Easy schedule feature, view and control the activities of traders such as the harvesting process and transportation.
- **Easy** to use











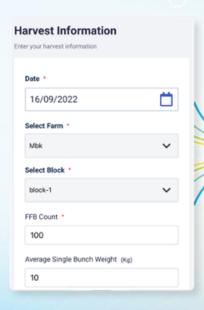


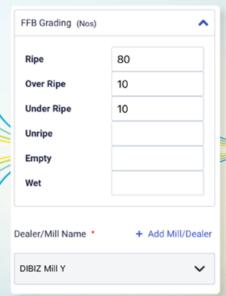


#### **DIBIZ FEATURES - SMALLHOLDER**

#### FFB Weighbridge Ticket & FFB Grading

- ✓ DIBIZ provides space to record information on the quality of FFB harvested.
- ✓ Smallholder can generate delivery orders through DIBIZ App.
- ✓ This feature helps Smallholder to improve the quality of produce, which gives a stable income.











Scanning...

**Delivery Order** 

Status: Delivered



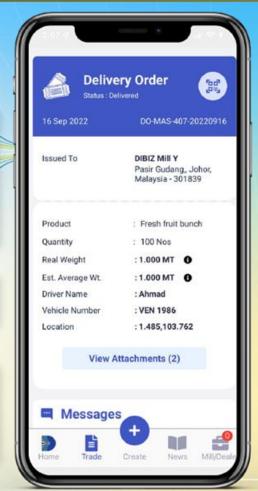
#### **DIBIZ FEATURES - SMALLHOLDER**

#### Works Offline & QR code scanning

- ✓ DIBIZ functions offline.
- ✓ DIBIZ QR code facility is available for all delivery orders to be shared with the driver.
- ✓ Smallholder shows the QR code to the weighbridge clerk.
- ✓ Easy and effective solution for the information transfer process.

- Driver can simply scan the QR and get the details in the app instantly and transport the goods to a dealers collection point.
- GPS coordinates will be indicated in the app when smallholders place a delivery order.











#### **DIBIZ - SMALLHOLDER VIDEO**





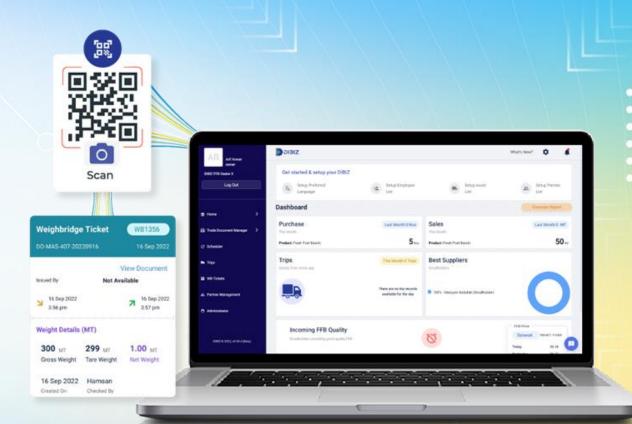




#### **DIBIZ FEATURES – FFB DEALER**

#### Dealer- Weighbridge Ticket

- ✓ The driver shows the QR code to the weighbridge clerk and automatically the FFB delivery order information from smallholders will be updated in the trader's business system.
  - DIBIZ provides a feature that facilitates dealers to generate weighbridge tickets for smallholders.
- ✓ DIBIZ Dealer App facilitate the process of managing the palm fruit business which only requires thorough information and this application will manage everything.







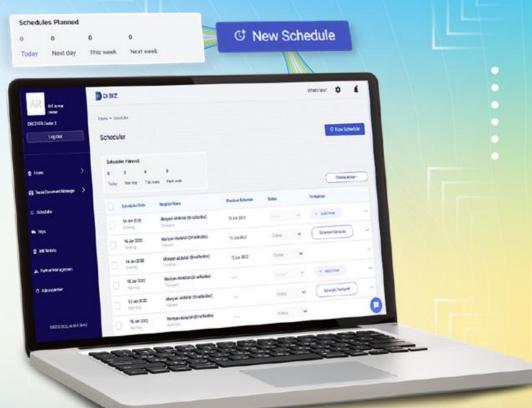


#### **DIBIZ FEATURES – FFB DEALER**

#### **ADVANTAGES** OF DEALER APP

- ✓ DIBIZ Apps have been very useful for Dealer. In the past, FFB Dealer would always get calls for weight management and tickets. Now the DIBIZ app has streamlined a lot of these information exchanges.
- ✓ FFB Dealer can organize the services to smallholders.

- ✓ FFB Dealer can schedule in the app and the rest is taken care digitally.
- ✓ **DIBIZ App** also **auto-creates** the next **schedules** for **FFB Dealer**.









#### **DIBIZ - DEALER VIDEO**









### STRATEGIC GLOBAL PARTNERSHIPS



#### **Descartes Labs**

#### **USA**

Additional Value from our 'Geo-Spatial Analytics for No Deforestation & No Peat Compliance'



#### **The Netherlands**

'Authentication Partner' for Sustainable Supply Chains and 'Sustainability Index'



#### Malaysia & Indonesia

Impacting Smallholder livelihood in partnership with 'Wild-Asia'



#### **Singapore**

Palm Oil market news, price, commentary and futures







#### **CONCLUSION**

- ✓ Legislations around the world on traceability and sustainability needs urgent attention from the Palm Oil industry.
- √ The DIBIZ Blockchain platform & TRUSPARENT MARKETPLACE provides the best Sustainability Authentical tool for the Palm oil industry with excellent ROI to all stakeholders.
- √ The DIBIZ-DESCARTES LABS partnership brings Satellite Imaging for NDP conformance.
- √ The DIBIZ-CONTROL UNION partnership brings in an internationally credible Sustainability Authentication of data on the DIBIZ Platform.



- ✓ Digital transformation of Palm Oil Supply chain with immutable data on Blockchain provides credibility and improves efficiency
- ✓ DIBIZ-WILD ASIA partnership empowers smallholders who produce 40% of palm oil get rewarded for their contribution towards sustainability.
- √ The successful pilots in Colombia & Malaysia proves the efficacy, user-friendliness and cost-effectiveness of the DIBIZ blockchain Platform and readily meets all the emerging EU & US new regulations for Palm Oil supply chains







### **THANK YOU**

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