






# Social


 **The Colombian oil palm sector contributes** to rural development. A recent study by the Colombian Government, led by the National Planning Department (DNP, in Spanish), shows that when comparing oil palm cultivation-related municipalities that have faced armed conflict, versus municipalities with the same conflict issues but with no oil palm crops, the incomes of oil palm growing municipalities are 30% above those of areas with no agricultural development in oil palm; a phenomenon known as the oil palm social dividend.



 **In Colombia, oil palm cultivation** has been recognized as an important source of formal employment, as shown in a study on employment characterization conducted by Fedesarrollo, that concludes that the salary level of oil palm cultivation workers in Colombia is higher by 20% compared to other agricultural sectors, and generates about 150,000 direct and indirect jobs.

 Employment generation by oil palm cultivation grew to a rate of 6.3% per year in employment during the period 2014-2015, 2.4 times higher than the national rate and a sharp contrast with the -0.1% rate shown in the agricultural sector during the same period.

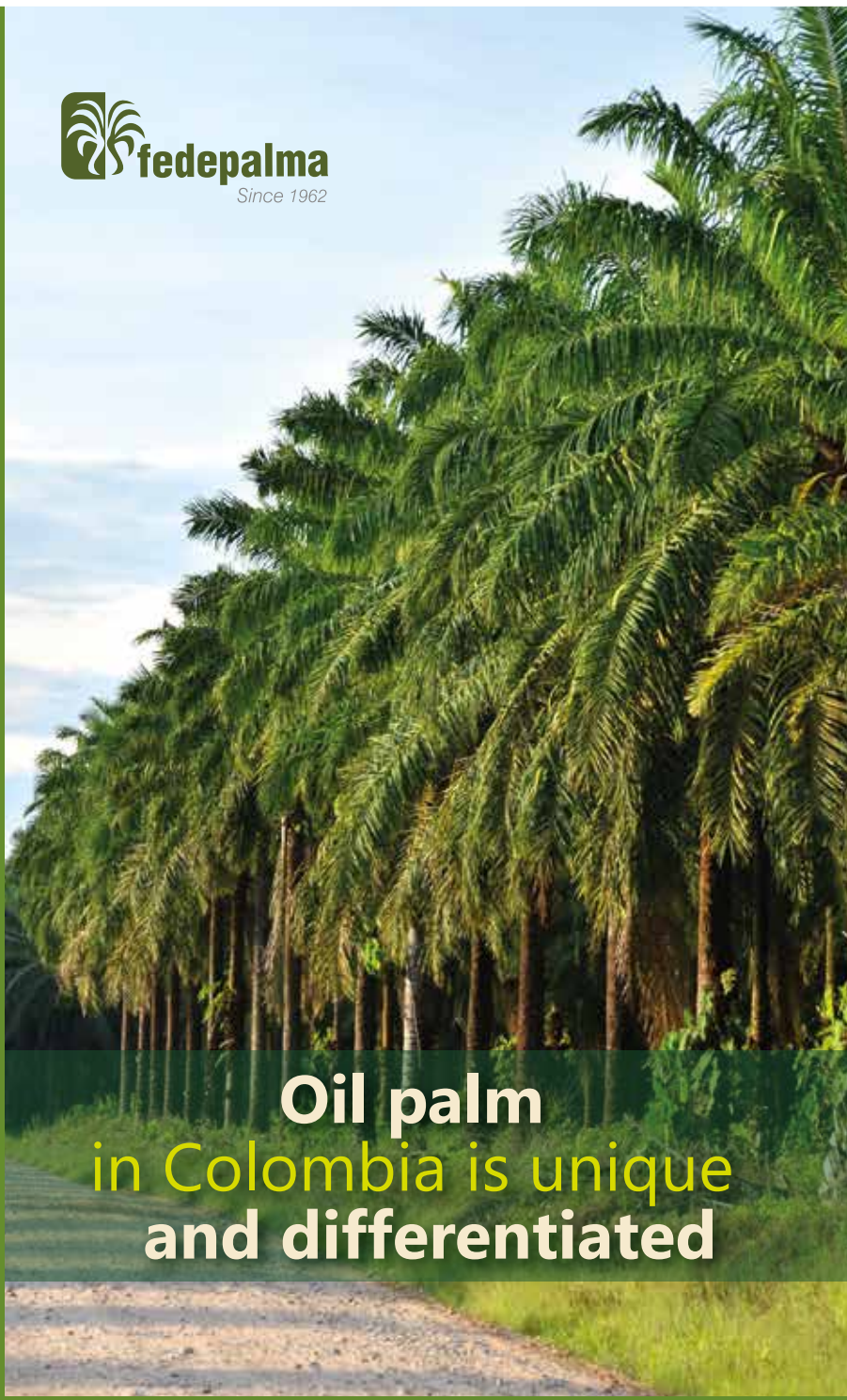


 In 2011, the World Bank conducted a study on the world's oil palm industry, finding that this sector generates up to 30 times more employment per unit area than other large-scale crops, such as soybean. Likewise, there is a 1% increase of the area in production that contributes to a reduction between 0.15 and 0.25% of people living in poverty.

For more than 60 years Colombia has been experiencing an armed conflict sustained by drug trafficking, a scenario in which coca crops and illegal mining have been the main drivers of violence and the financing of illegal armed groups, responsible for the displacement of people in some rural areas of the country with little presence and investment of the State and high levels of poverty.

The country faces serious legal problems regarding land ownership and tenure. Today, less than 30% of the land is formalized and the other 70% is yet to regularize land-titles deeds, according to the guidelines of the National Government.

Taking into account the new reality of Colombia and that we are in the implementation of the Peace Agreement, being agricultural development the basis of its consolidation, it is necessary to think about an entrepreneurship of the countryside that provides sustainability and model formalization for the rural sector, as in the case of the oil palm agribusiness.



**Oil palm**  
**in Colombia is unique**  
**and differentiated**





# Economic

Colombia is the 1<sup>st</sup> oil palm producer in America and the fourth worldwide, with a 2% share. In 2016, the country produced 1 million 146 thousand tons of palm oil and to July 2017 has 6,000 producers organized in 65 palm centers along 152 municipalities in 21 departments.

85% are small growers who have less than 50 hectares. A high percentage of them are part of the 133 Strategic Oil Palm Productive Alliances in the country.

Colombia has an agricultural frontier of 44 million hectares, of which only 15% are cultivated; out of this percentage, only 500,000 hectares are planted with oil palm, none of them found in or near the Amazon rainforest. According to the United Nations Food and Agriculture Organization, FAO, Colombia is one of eight countries with the possibility of increasing agricultural production within the existing agricultural frontier without deforestation, helping to reduce the demand for food.



# Environmental

The development of oil palm crops in Colombia has not caused any deforestation. According to the study published in 2016 by Madhur Anand, of the University of Guelph in Canada, and Varsha Vijay and Stuart L. Pimm of Duke University, entitled "The impacts of oil palm on recent deforestation and loss of biodiversity", although the cultivated area increased by 69.5% between 1989 and 2013 deforestation was 0%.

Furthermore, in September 2016, Paul Furumo and Mitchell Aide published the study "Characterizing Commercial Oil Palm Expansion in Latin America: Land Use Change and Trade," (Environmental Research Letters, IOP Publishing) which demonstrates that in Colombia the expansion between 2001 and 2014 occurred in more than 91% over lands previously grazed by pastures for extensive livestock or other crops.

The Colombian oil palm sector is committed to maintaining the biodiversity around its area of influence. Since 2012 the project "Biodiverse Palm Landscape" funded by the United Nations, GEF, until 2018, is being carried

out jointly with the World Wildlife Fund (WWF), the Alexander von Humboldt Institute, Cenipalma and Fedepalma. More than 1000 species of vascular plants, some of them with High Conservation Value (HCV), and more than 90 mammals (28 HCV) have been recorded within oil palm developments and its surrounding areas.

The oil palm agro-industry contributes to the mitigation of climate change. Greenhouse gas (GHG) emissions by the Colombian oil palm biodiesel are 83-108% less to those caused by fossil fuels<sup>1</sup>.

The Colombian National Federation of Oil Palm Growers Fedepalma, has been a member of the Roundtable of Sustainable Palm Oil (RSPO) since 2004. In just eight years since the RSPO sustainable certification scheme was launched, by the end of 2008 Colombia had achieved to certify nearly 12% of its production as sustainable. Today several companies and growers are currently in the process for RSPO certification.

<sup>1</sup>Study of the life cycle of palm biodiesel in Colombia, prepared by EMPA of Switzerland

