

AWARENESS TOWARDS ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)
AMONG INDEPENDENT SMALLHOLDERS

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ABSTRACT

AWARENESS TOWARDS ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO) AMONG INDEPENDENT SMALLHOLDERS

RSPO is an association that aims for the production of sustainable palm oil worldwide. The RSPO provides certification for oil palm stakeholders showing that they support the production of sustainable palm oil as well as proving that they obey the criteria of RSPO stating that also produce sustainable palm oil. This project is conducted to identify the factors that affect awareness towards RSPO among independent smallholders. This project was done by distributing questionnaires to random independent smallholders in Hulu Langat, Selangor. This project focuses on three factors that can affect awareness to RSPO. The factors are knowledge, attitude and interest. The effect of each of the factors on towards awareness of RSPO can be identified by using Pearson's Correlation and Multiple Linear Regression. Thus the most significant factor can be determined. From this project, knowledge is the most significant factor that affects the awareness towards RSPO among independent smallholders. Through regression analysis, knowledge shows highest coefficient reading 0.935. Whereas, the Pearson's Correlation also shows knowledge has the highest reading with 0.911 indicating that knowledge has a very strong relationship with awareness towards RSPO.

CHAPTER 1

INTRODUCTION

1.1 Background

Certified palm oil products are becoming a norm among oil palm industry. Under RSPO, the supply chain of these products ensure that end user receive the certified oil palm products. There are more than 2,500 members worldwide that represent the links throughout the palm oil supply chain (RSPO, 2016). The standards set by RSPO address the economic, environment, and social requirements in producing sustainable palm oil (Tan, Lee, Mohamed and Bhatia, 2009). The RSPO not only helps to help increase the production of palm oil but also help reduce the negative impact when producing them.

From all the RSPO-certified members, 42% comes from Malaysia (RSPO, 2016). Although big companies produce most of the palm oil worldwide, smallholders also play a vital role in producing palm oil. Some mills have to receive supply from smallholders to make sure that palm oil supply is sufficient. Independent smallholders are entirely self-funded are reluctant to implement any certification for sustainable oil palm. Compared to scheme smallholders, where there are under the supervision of bigger companies will be funded to undergo any certification for sustainable oil palm. Thus, achieving certification will be hard for Independent smallholders since it require skills in management,