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

ADRI BIN ROSLAN

Final Year Project Submitted in Partial Fulfillment of the Requirement for the Degree of Bachelor of Science (hons.) Plantation Technology and Management Faculty of Plantation and Agrotechnology University teknologi MARA

JULY 2016
ACKNOWLEDGEMENT

Praise be to Allah the All Mighty for his grace and blessings for me to complete this final year project. Completion of this project at the required duration might not be possible without his blessings.

I would like to take this opportunity to show my gratitude to my supervisor, Miss Nordiana Binti Ibrahim, who has been helping me from the previous semester until I complete this project. She continually corrects my mistakes and recommends solutions for my problems so that I can have better view of my project.

I would also like to thank my parents for always giving me morale support from the start and making sure I am always on track. Their support is my biggest strength. Not to forget my friends that helped me either directly or indirectly in completing my project.

Last but not least, special thanks to the independent smallholders of Hulu Langat, Selangor that are involved in the survey process. Their cooperation is much appreciated in this project.

Adri Bin Roslan
TABLE OF CONTENT

ACKNOWLEDGEMENT iii
TABLE OF CONTENT iv
LIST OF FIGURES vi
LIST OF TABLES vii
LIST ABBREVIATIONS viii
ABSTRACT ix
ABSTRAK x

CHAPTER

1 INTRODUCTION
  1.1 Background 1
  1.2 Problem statement 2
  1.3 Objectives 2
  1.4 Scope of study 2
  1.5 Significant of study 3

2 LITERATURE RIVIEW
  2.1 Roundtable on Sustainable Palm Oil (RSPO) 4
    2.1.1 Segregation 5
    2.1.2 Mass balance 6
    2.1.3 Book and claim 7
  2.2 Independent smallholder 8
  2.3 Awareness 8
    2.3.1 Knowledge 9
    2.3.2 Attitude 9
    2.3.3 Interest 10

3 METODOLOGY
  3.1 Theoretical framework 11
  3.2 Location of study 12
  3.3 Population and sample size 13
  3.4 Parameters 13
  3.5 Research instrument 14
  3.6 Research procedure 14
  3.7 Data analysis technique 15
    3.7.1 Reliability analysis 15
    3.7.2 Multiple regression analysis 15
    3.7.3 Pearson’s correlation analysis 16

4 RESULTS AND DISCUSSION
  4.1 Introduction 17
  4.2 Sample and profile 17
    4.2.1 Demographic information 17
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,