

## TOPIC: FFB traceability & Importance of FFB suppliers' traceability

**Traceability** is defined as knowing **all palm sources** within one's supply chain all the way to plantation level (including smallholders)<sup>1</sup>.

### Importance of FFB suppliers' traceability

Requirement (s)	Rationale	Frequency of monitoring/updates	Existing suppliers				New suppliers			
			Own Est.	3 <sup>rd</sup> . Est.	SH/ SG	FFB CC	Own Est.	3 <sup>rd</sup> . Est.	SH/ SG	FFB CC
Database of FFB suppliers (categorize according to Est. SH, SG. FFB CC)	Continuous updates of mill's own database of FFB suppliers. Info required: ➤ Name of supplier and parent company ➤ GPS coordinates (mandatory) ➤ Hectarage of area ➤ Maps (if available)	Monthly or whenever there is new supplier.	√	√	√	√	√	√	√	√
Photocopy of MPOB license	To ensure FFB are sourced legally.	3 months or whenever there is an update.	√	√	√	√	√	√	√	√
Monitoring of FFB received against actual hectarage declared in MPOB license.	To identify any potential irregularities from FFB volume received from a supplier.  Case 1: A 50 ha area is able to produce 75 – 100 mt of FFB per month (1.5 – 2.0 mt/ha). If the owner of the area is sending 300 mt/month (6.0 mt/ha), there are possibilities of: i. Sharing of MPOB license with other supplies. ii. FFB from unidentified areas with risk of deforestation are added into the consignment.  Reasons: Avoid buying unidentified FFB from risky source that may be linked to deforestation, which breaches buyers' policy.	Monthly		√	√			√	√	
Due diligence on FFB suppliers (Estate, smallholders and small growers)	➤ To determine location of suppliers. GPS coordinates should be obtain during visit to the supplier. ➤ To understand history of area (new planting from forest/rubber/grassland conversion; 2 <sup>nd</sup> or 3 <sup>rd</sup> generation planting; new or replant on peat; etc.)	For existing suppliers, it is a continuous effort.  To conduct this exercise when there is new supplier.		√	√	√	√	√	√	√

<sup>1</sup> [http://theforestdialogue.org/sites/default/files/idh\\_traceability\\_presentation - reuben\\_blackie.pptx](http://theforestdialogue.org/sites/default/files/idh_traceability_presentation_-_reuben_blackie.pptx)

	<ul style="list-style-type: none"> <li>➤ To understand practices of these suppliers (legality, environmentally, social)</li> </ul>									
Due diligence on FFB CC	<ul style="list-style-type: none"> <li>➤ To identify and keep records of types of FFB suppliers of the FFB CC.</li> <li>➤ Joint visit to the FFB suppliers when feasible.</li> <li>➤ To understand legality of FFB suppliers.</li> <li>➤ To understand business models and practices of the FFB CC.</li> </ul>	<p>For existing suppliers, it is a continuous effort.</p> <p>To conduct this exercise when there is new supplier.</p>			√				√	

### Management of outgoing products from mill

Products	Requirements	Rationale
Outgoing CPO and PK consignments; EFB	Documentation: <ol style="list-style-type: none"> <li>1. Delivery order</li> <li>2. Invoice</li> <li>3. Weighbridge tickets (outgoing and recipient of consignment)</li> </ol>	<ul style="list-style-type: none"> <li>➤ Consistency in monitoring all outgoing consignments from the mill.</li> <li>➤ Avoid incidence of theft and siphoning of outgoing products (CPO, PK) via cross checking of weighbridge tickets from recipient of the consignment.</li> </ul>
Crop diversion due to mill breakdown	Information: <ol style="list-style-type: none"> <li>1. Crop originality</li> <li>2. Actual tonnage of FFB</li> <li>3. Weighbridge tickets (outgoing and recipient of consignment)</li> </ol>	