Indonesia Independent Smallholder Characteristic and Transformation Initiative

Mansuetus Darto
Secretary general of SPKS

Perumahan Bogor Baru, Blok A5 No 17, Bogor Jawa Barat
www.spks.or.id
SPKS Members, 58,000 Independent Smallholders

- **Training and Increasing Productivity**
  Aims to increase the productivity of FFB

- **Developing Smallholder Institutional**
  Developing smallholder institutional are beneficial to smallholder sustainability and livelihood

- **Data Collecting and Legality Aspect**
  Identifying Palm Oil Smallholder to comply with legality and classification for smallholder inside forest area or area for development (APL)

- **Developing alternative economy**
  Developing local Tmengembangkan potensi-potensi lokal yang bisa digunakan untuk mengembangkan ekonomi selain sawit.

- **Developing partnership with stakeholders**
  Build partnership with Government of Indonesia, Companies, Financial institutions and CPO Buyers

- **Advocacy**
  facilitating conflict resolution and advocating regulations to side with smallholder, such as pricing policies, fertilizers, palm oil replanting and the development of partnership schemes
Indonesia Independent Smallholder Characteristic

Based on SPKS research in 2017 for 10,000 smallholder as research subject in 14 district about characteristic and definition of Palm Oil Smallholder.

Found some situation and condition regarding of Indonesia Independent Smallholder Characteristic as follows:

- **Land Certificate**: 19%
- **Joined with Cooperatives**: 7%
- **Inside Forest Area and Peat**: 17%
- **Getting assistance From Agriculture Counselor**: 5%
- **Direct sales To the Mills**: 2%
Indonesia Independent Smallholder Characteristic

Smallholder Origin;

The oil palm plantation development program in the 1980s, through the transmigration program, showed that smallholder in the program had cleared new land through independent plantations. This fact shows that many Plasma smallholders also have Independent plantations.

Smallholder Livelihood

The average self-help oil palm farmer has a plantation area of around 1-4 ha. This is not enough to support their families, because the average farmer has 3-4 children.

Costs for clothing, food, shelter and children’s education are not enough. The age of the farmers is partly old stage (not productive stage), and they will pass on the plantation to their children. So it needs a new pattern in the plantation system to adjust to the new generation.

65% Smallholder Origin
The majority are from transmigrants and the rest are local communities

82% Depends on Plantation and live in the village/rural area

70% Smallholder who have 1-4 Ha

35% Smallholder who had food agriculture land

Smallholder who had food agriculture land
Palm Oil Smallholder definition according to SPKS is:

1. Small scale smallholders (1-4 Ha)
2. Live in village (rural) or surrounding the plantation
3. Dependents with palm oil harvest yields and main income/profession is farming
4. Done by the smallholders themselves/family labour
5. Majority of the smallholders didn’t have land for food agriculture
6. Didn’t have the land legality such as land certificate and only small parts are inside forest area and peats.
Smallholder Focus: Selling to the middleman with low price, TraPenjualan ke tengkulak dengan harga murah, the solution is traceability??

Independent smallholder in Riau said;
We always sell to middleman
Even though the mills are located behind our house

Why?

Palm oil mills still accept FFB from individual who had big scale plantation and they are not smallholders.

Doing business with middleman are more efficient and easier than with smallholders.

There’s no GAP in smallholder plantation.

Direct sales to the mills will increase smallholders income 20-30% from the FFB price today because smallholders prices are determined by middleman. Furthermore, with the increment of smallholders income will ease smallholders in acquiring fertilizers and increasing not just productivity but also smallholder livelihood.

Traceability will have to start from smallholder plantation because not all of the smallholders plantation are inside forest and peat.
Road map
independent smallholders to engaged Market

1. Smallholders mapping because there aren’t any data
2. Classification based on land legality
3. Capacity building and partnership
4. Institutional
5. Market access and Smallholder welfare
Farmers data
Name, address, phone, NIK

Farmers location
Province, district, village

Land Information
Area size, type of land, polygon, year of purchase, purchase date, crop planted, method of land preparation, history of land

Crop
Number of seeds planted, seeds information, number of trees, fertilizer information, productivity

HCV and HCS information

Organisation
Name of organisation, year of joined

Legality support
By local government

Farmers; received legality
Who hasn't and how in near future

#01
Platform buyers to commit on sustainability didn’t felt by smallholders who are legal in Indonesia and didn’t thought until price adjustment

#02
Still work on Traceability not on smallholders empowerment, livelihood and women empowerment

#03
Ensuring smallholders who protect HCS forests are equal as certified smallholders. In fact, SH who protect their forests are real sustainable, do not get certification because they consider the cost of getting certified. There needs to be other models and approaches that are equal to the principles of sustainable palm oil.

#04
Buyers must ask the company openly for their needs from small farmers and appropriate prices and fair partnerships, to be part of the principle of cooperation.