



KUD MAKARTI

Challenges of Making Independent Smallholder Certification Work

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Concorde Hotel Kuala Lumpur Malaysia

1 Independent Oil Palm Smallholder and Certification

Dani Rahadian Hidayat (Oil Palm Advisor of SNV)

2 Field Experiences on ISH ISCC Certification & Recommendation

Sufyan Sahuri (Central Office KUD Makarti Group Manager)



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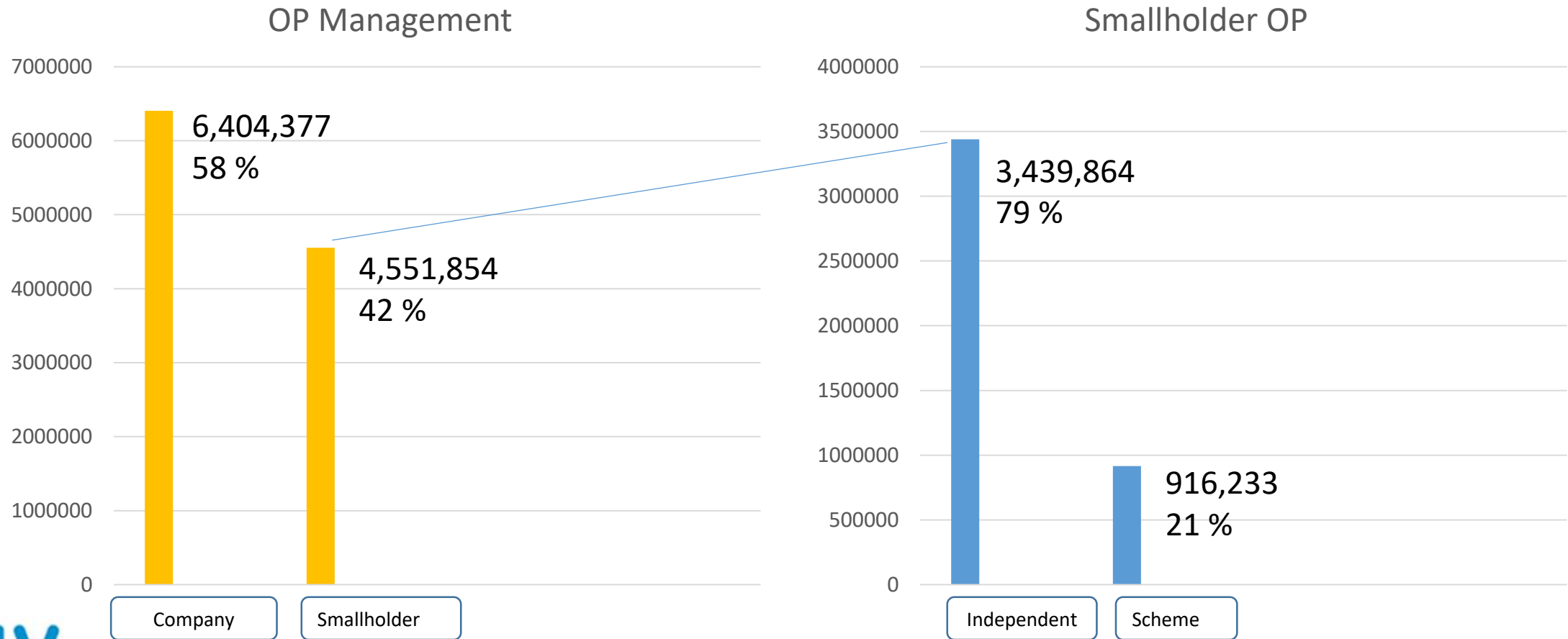
1

Independent Oil Palm Smallholder and Certification

Dani Rahadian Hidayat

About 10,956,231 Ha (2014) Oil Palm Plantation in Indonesia

(the updated data 14,030,573 Ha (2018))

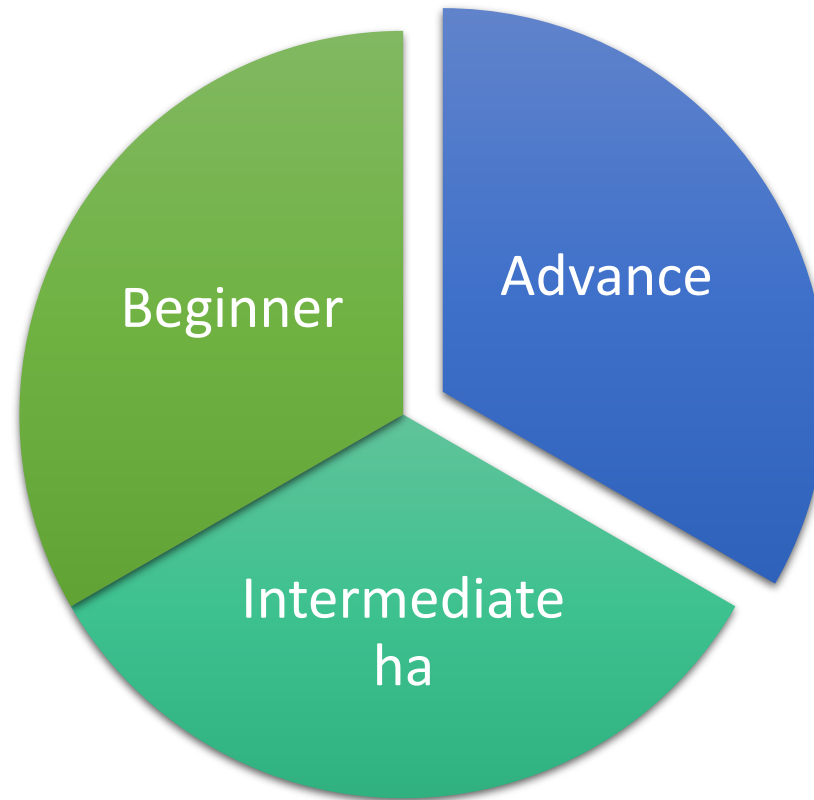


Sources: RSPO market data
Ditjenbun, Kementan 2014

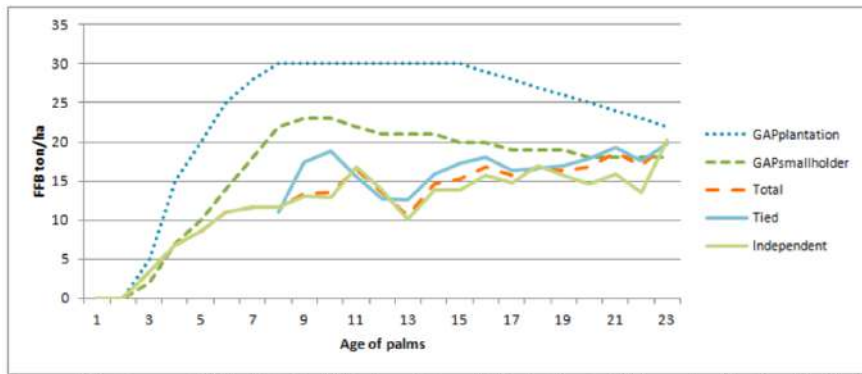
Oil Palm Smallholder Categories

1. Beginner
(individual)
Oil Palm
Smallholder

2. Intermediate Oil Palm
Smallholder



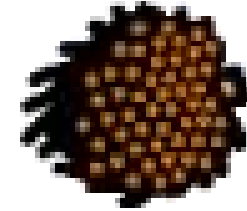
3. Advance Oil
Palm
smallholder



Source: Aidenvironment, Global Sustainability Associates and Triodos Facet, 2013, results of the Smallholder Diagnostic Survey

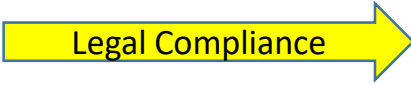


Yield Making

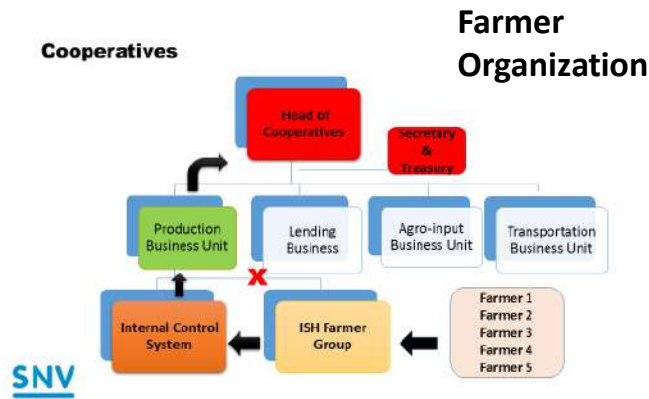


**Oil Palm
Independent
Smallholder**

**Capacities
building**



1. Credit
2. Insurance
3. Agro-input
4. Information
5. Market

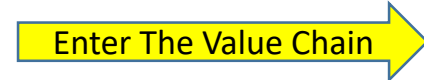


**Good
Agriculture
Practice**

**Increasing
Yield &
Quality**

**Better
income**

Transformation



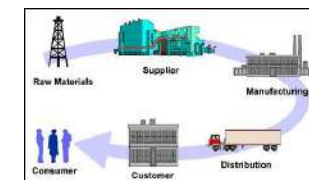
Yield Taking



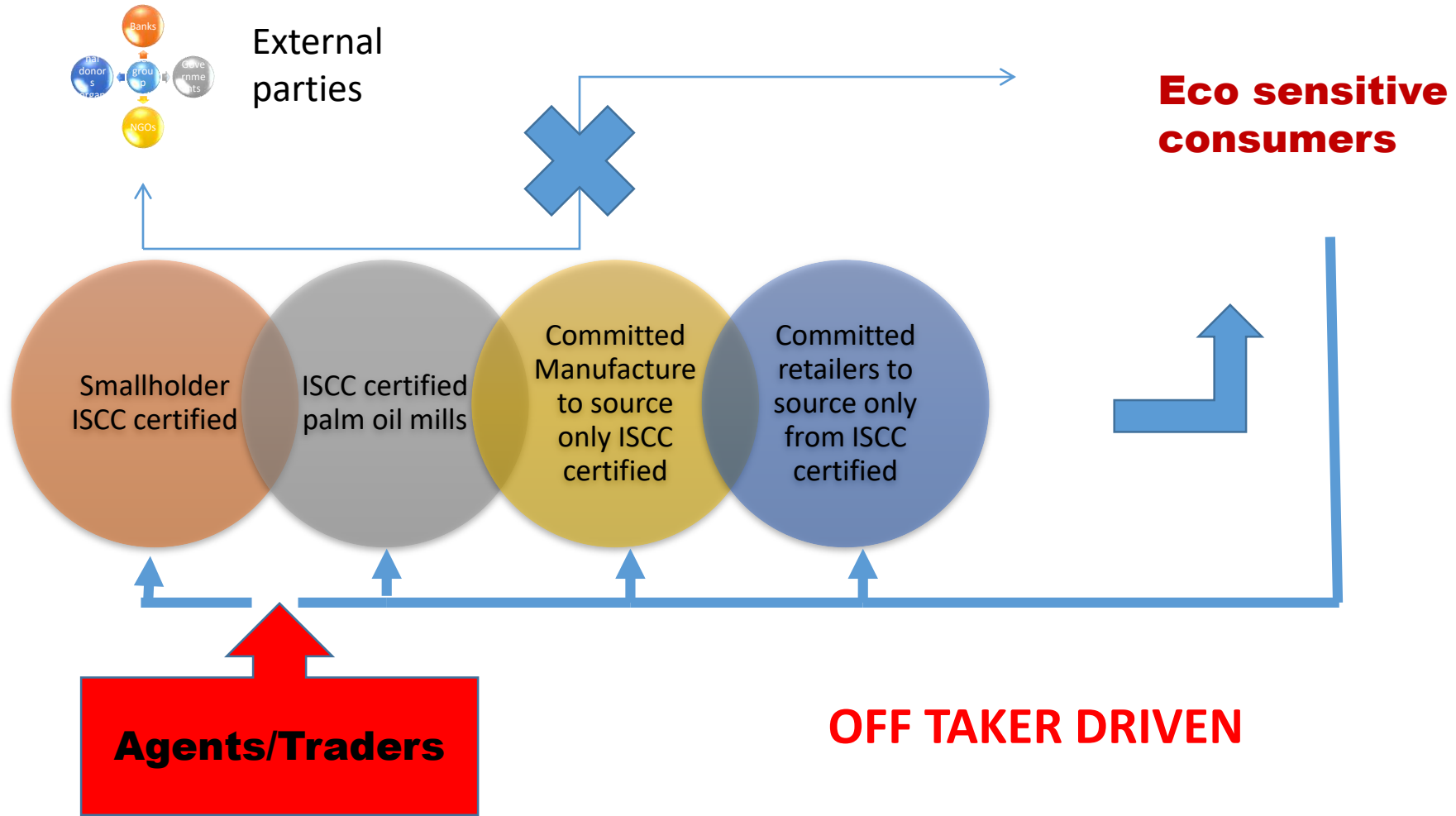
**Social &
Environmental
Aspects**

**Quality
Control**

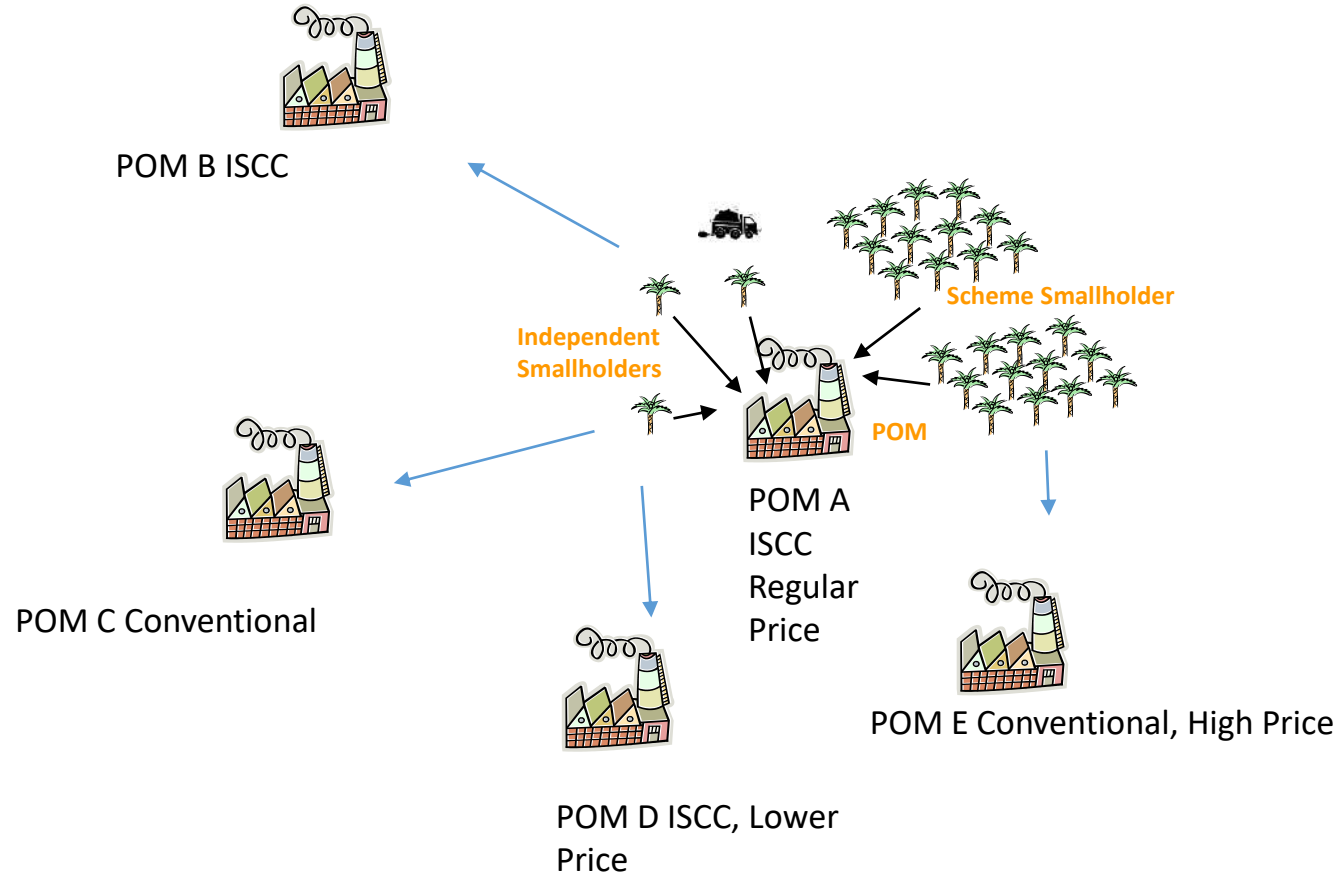
**Sustainable
Production**



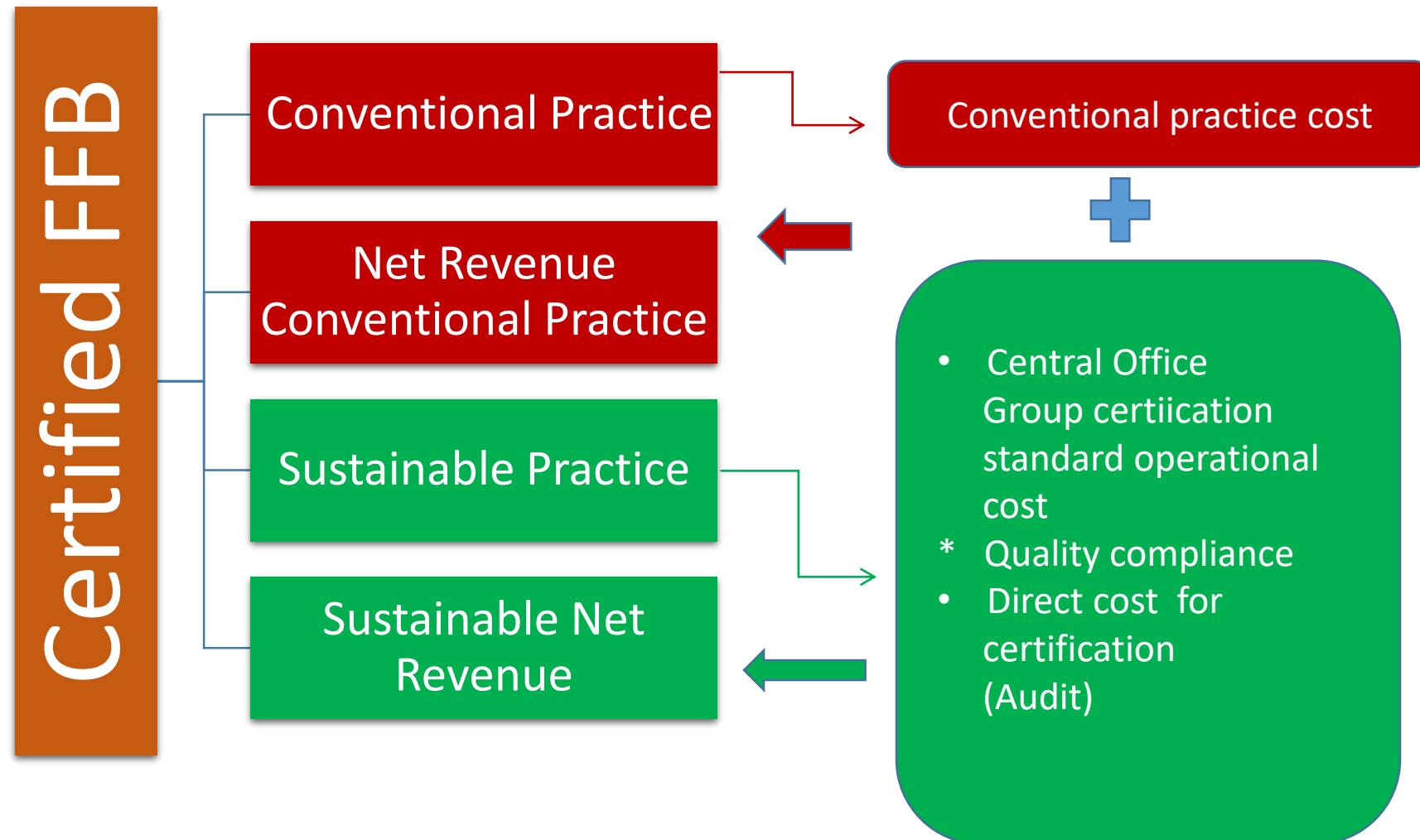
ISH Inclusiveness to ISCC Value Chains



ISCC Value Chains Can Be Disconnected / ISH Excluded



Certification Cost Structures To Define Inclusiveness To Any Certification System





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2

Field Experiences on ISH ISCC Certification

Sufyan Sahuri



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ISCC Certification benefit for the ISH

- To improve oil palm plantation maintenance
- To increase the amount of production based on seed quality
- To protect the environment
- To raise awareness to protect the safety during the plantation operation
- ISH organisation developed
- Complied with existing law and regulation
- Accessed the information regarding oil palm plantation world

Expectation



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- There will be sustainable FFB production increasement
- There will be some added value in term of price to reward certified FFB
- There will be more attention for ISH from either government or companies

Challenges



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- Less interest from ISH communities on certification program since they used to apply traditional oil palm agriculture practices
- How to transform ISH communities in implementing oil palm agriculture practices
- There still less attention from off-taker on ISCC certified FFB

Constraints



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- There have not been any off takers for ISCC certified FFB from CO KUD Makarti
- It is hard to recruit new group certification member since most of ISH land title (Surat Keterangan Tanah) was issued by sub-district office (Kecamatan) while the auditors asked for the highest land title issued by central government (Surat Hak Milik) in regard to land legality.
- The prospective member hesitate to join the ISCC group certification since they demand cash and on time payment as it implemented by the small traders/agents when they pay the ISH's FFB
- The relationship between the ISH and oftaker has not been implemented harmoniously in order to get mutual benefit.



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Recomendation

- There are some black campaign againts Palm Oil but It should be reminded that **not** all smallholder farmers conducted violation.
- There are should be a fair deal (win-win) between Smallholder with their ISCC certified oil plam fruits off taker.
- Safe the oil palm independent smallholder farmers through sustainable palm oil certification

Thank You for The Attention

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