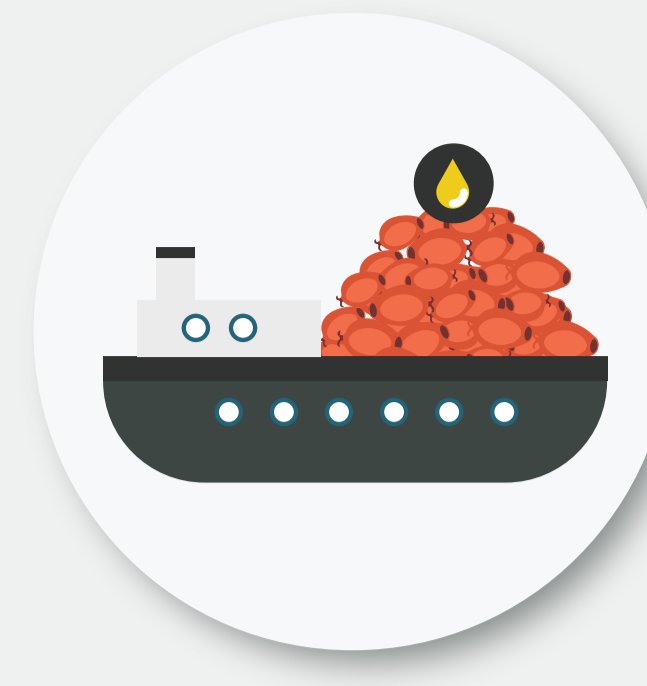


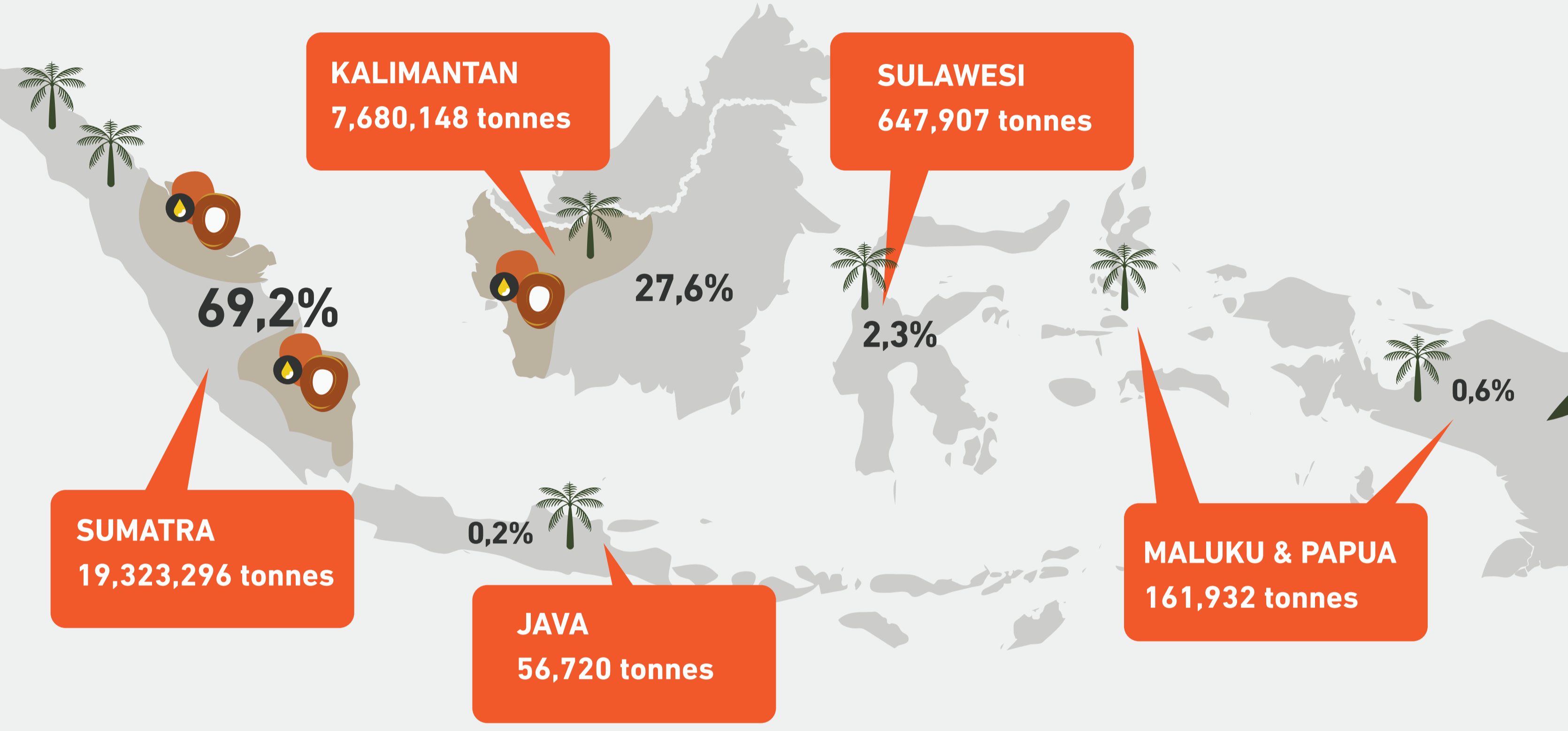


INDONESIA IS THE WORLD'S #1 PRODUCER & EXPORTER OF **PALM OIL**, ACCOUNTING FOR **50%** OF THE WORLD'S TOTAL



PALM OIL IS A STRATEGIC COMMODITY IN INDONESIA ACCOUNTING FOR AN AVERAGE OF **9,5%** OF THE NATION'S TOTAL EXPORTS

Palm oil producing areas

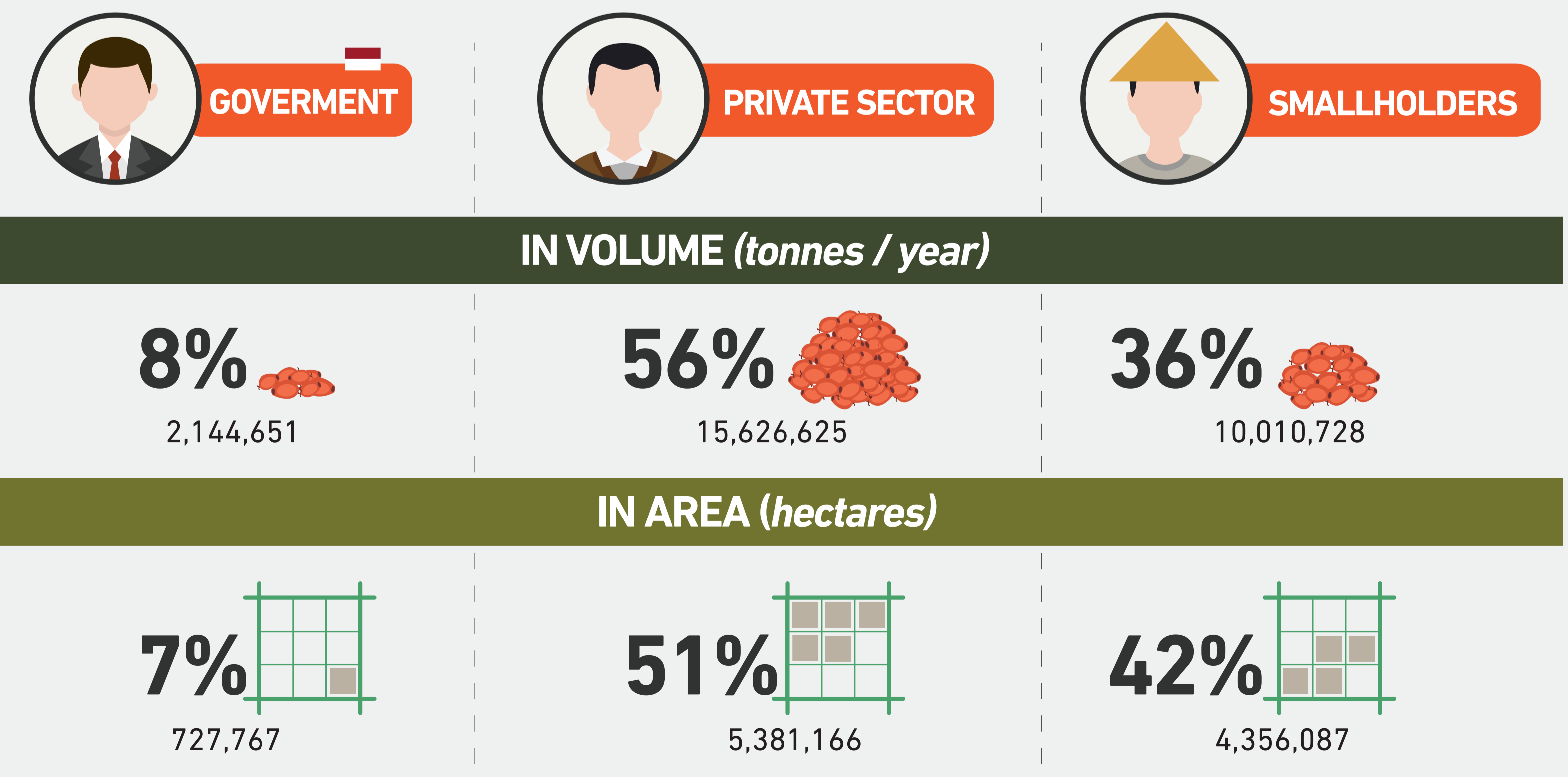


WHY IS PALM OIL A BIG DEAL?

- RELATIVELY CHEAP
- MOST VERSATILE
- HIGHEST YIELDING
- MOST WIDELY PRODUCED

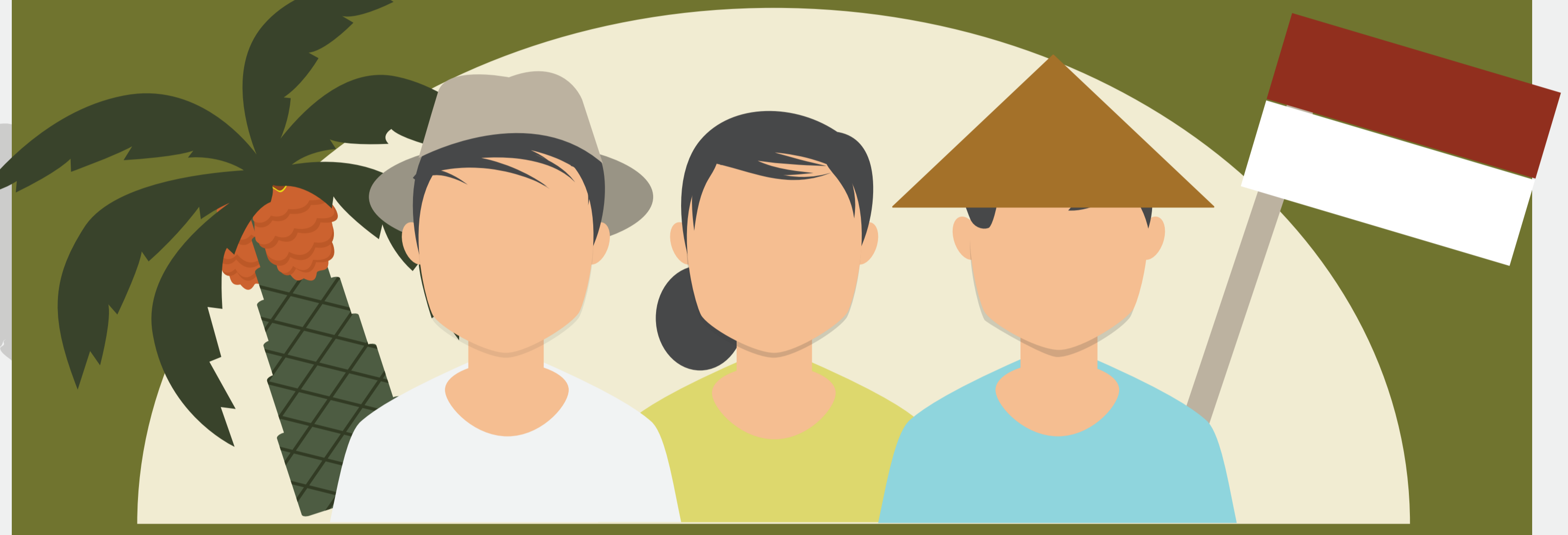
PALM OIL USE IS EXPECTED TO GLOBALLY INCREASE **50 MILLION TONNES (2011) TO AT LEAST 77 MILLION TONNES (2050)**

SHARE OF PRODUCTION (2013-2014)



SMALLHOLDERS & SUSTAINABILITY

PALM OIL SMALLHOLDERS PROFILE



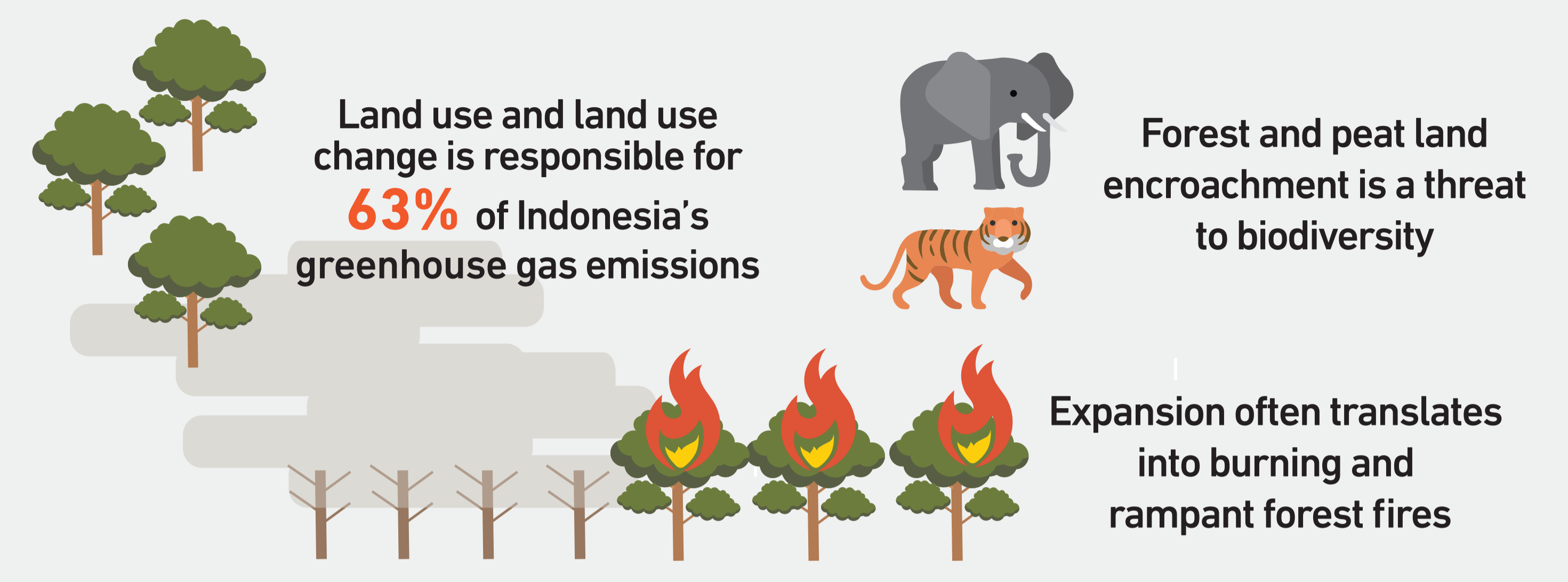
- PRODUCTIVITY**
Average **1.9 -2.5 tonnes / hectare** of CPO (Crude Palm Oil), far from the sector's production potential of **5 tons/ hectare**
- (IN)EFFICIENCY**
Just **1/3** of Indonesia's oil palm plantations are managed efficiently to maximise yield

SHARE OF PRODUCTION
2.5 million smallholders farm up to **42%** (4.4 million hectares) of plantations

CHALLENGES

- ECONOMY**
 - Low productivity
 - Lack of access to financing
 - Price fluctuation
- SOCIAL**
 - Community conflicts
 - Land disputes
 - Lack of skills and knowledge in GAP (Good Agricultural Practices)
- LEGAL**
 - Legality of land status
- ENVIRONMENT**
 - Peatland burning and farming
 - Forest encroachment

INDONESIA CAN DOUBLE PRODUCTIVITY BY 2020 WITHOUT EXPANDING PLANTATIONS



SMALLHOLDERS ARE KEY TO SUSTAINABLE PALM OIL PRODUCTION IN INDONESIA

- DOUBLE THE PRODUCTIVITY OF SMALLHOLDERS**
 - Capacity Building (GAP, environmental management, financial literacy)
 - Replanting with high yielding seedlings
 - Develop efficient organizational structures
- Innovative financing schemes**
- Provide better access to market and cut off intermediaries**
- Certify smallholders through ISPO (Indonesia Sustainable Palm Oil System) to ensure legal compliance**

Indonesia **Palm Oil Platform**

ADDRESS SMALLHOLDERS THROUGH InPOP

The Indonesia Palm Oil Platform (InPOP) is a multistakeholder forum coordinated by the government that identifies problems and solutions through a national action plan for the sustainable development of palm oil in Indonesia

JOIN THE CONVERSATION !

- VISIT : www.ispo-org.or.id / www.inpop.id
- FOLLOW : Indonesia Palm Oil Platform
- FOLLOW : @inpoptweets
- ATTEND INPOP EVENTS



Source : ISPO Secretariat, Directorate General of Estate Crops -Ministry of Agriculture Sustainable Palm Oil Initiative -UNDP