

# SOLIDARIDAD PALM OIL PRODUCER SUPPORT



## REGIONAL HIGHLIGHTS

Status September 2017

- 1,700 farmers** completed the Farmer Field School (FFS)
- 2,000+ farmers** have access to high quality inputs through agri cooperative K77
- 7,800 members** completed financial literacy training (58% women)
- Participatory mapping of 5,650 ha. / 2,270 independent smallholders**
- 740 ha. of forest** under a conservation pledge after participatory mapping

## Two innovation projects in West Kalimantan, Indonesia

Solidaridad and its partners are collaborating to improve the livelihoods of palm oil smallholders through two projects in West Kalimantan. Together with local partner Keling Kumang Group (KKG), which manages Indonesia's second largest credit union, we are working to enhance good agricultural practices and financial literacy among its smallholder members. Our aim is to establish sustainable supply chains for palm and palm kernel oil that both effectively improve smallholder farmers' living conditions and are eligible for certification according to the RSPO Principles & Criteria. Simultaneously we also work to reduce greenhouse gas (GHG) emissions and prevent further forest and land degradation by supporting the application of efficient, sustainable agricultural practices.

Regional partners:



Dutch Ministry of Foreign Affairs

## Background

West Kalimantan is one of the most economically disadvantaged provinces in Indonesia. Palm oil is a significant driver of agricultural output in the region but smallholder farmers regularly find themselves in a position of relative weakness due to their limited knowledge on good agricultural practices and lack of access to high quality inputs. This results in significantly lower yields than plantations. Simultaneously the province suffers from one of the highest rates of deforestation and forest conversion. KKG's credit union has 168,000 members and is operating in a region containing more than 146,000 ha. of smallholder oil palm farms. About 14,000 members provide FFB to local mills, providing an enormous opportunity to leverage the credit union's position to improve yields and sustainable practices.

## Our partners

- Keling Kumang Group provides training through the Farmer Field School (FFS), financial education and access to finance through CUKK, its credit union, and access to agricultural inputs and markets through agri-cooperative K77.
- The multinational companies Henkel and BASF provide funding, monitoring and verification of deliverables of the 'Improved Livelihoods project'.
- SPKS, the Indonesian Independent Oil Palm Smallholders' Union, leads establishment and capacitation of farmer groups and policy influencing at the district level in the Two Goals One Kernel project.
- PT Pupuk Kalimantan Timur (PKT) supports the provision of high quality fertilizers and capacity building on product knowledge through cooperation with K77.
- University of Tanjung Pura supports research & analysis in the demo plots.
- Solidaridad coordinates project development and delivery, including FFS training, financial education and institutional strengthening of Keling Kumang Group.

We operate two independently implemented projects in the region, which complement each other with regards to approach.

## Activities 'Improved Livelihoods' Project:

- The Farmer Field School (FFS) provides smallholder training in good agricultural

practices and sustainable farm management.

- The Financial Literacy programme teaches the credit union's members about money management, responsible use of financial products and services, and stimulates farmers to save for replanting.
- A pilot group of 200 FFS graduates will start the process to achieve RSPO certification by 2019.
- Capacity-building of agricultural cooperative K77 to provide member access to agricultural inputs, especially subsidized fertilizer.
- Professionalization of KKG through improved organizational structure, management information system and increase the quality of its products and services for members.
- In the long term, farmer groups have the ambition to set up a smallholder-owned cooperative CPO-mill to provide a new and fairer market for smallholder FFB.

## Activities 'Two Goals with One Kernel' Project:

- Mapping & surveys: collecting smallholder farm data to understand gaps in sustainable practices.
- Capacity building: promoting Best Management Practices (BMP) through trainings and demo plots, as well as financial and managerial skills development.
- Establish farmer groups to support smallholders in market access, negotiating better prices and monitoring compliance with agreed environmental and land use principles.
- Develop landscape planning through the District REDD+ Plan and Sustainable Green Village scheme.
- Support development of a local government GHG reduction plan.
- Initiate a District Platform to mobilize commitments from local government, companies and smallholders to increase productivity, protect forests and peatland.

## Smallholder-supportive infrastructures

Both projects demonstrate that a credit union can facilitate farmer access to better agricultural practices and encourage sustainable palm oil farming among its members. KKG and K77 have become well-managed, financially self-sustaining cooperatives with strong outreach to their membership base through their FFS and financial literacy training units and agricultural inputs shop. Mechanisms for



continued development have become embedded in existing organizational structures, creating a conducive environment for adoption of BMP and allowing the cooperatives to achieve a multiplier effect in the number of farmers reached in the future.

## About Solidaridad

Solidaridad is a not-for-profit network organization operating from nine regional offices on five continents. We envision a world in which all we produce, and all we consume, can sustain us all while respecting the planet, each other and the next generation. We bring together commodity supply chain actors and engage them in innovative solutions to improve production, ensuring the transition to a sustainable and inclusive economy that maximizes the benefit for all.

## Join us for change that matters

**Kulbir Mehta**, Solidaridad Country Manager Indonesia  
[kulbir.mehta@solidaridadnetwork.org](mailto:kulbir.mehta@solidaridadnetwork.org)

# Solidaridad

For more information:  
[www.solidaridadnetwork.org/palmoil](http://www.solidaridadnetwork.org/palmoil)