

Story from the field

Improving livelihoods of oil palm smallholder farmers through data collection and business registration

More than half of the palm oil produced in Siak and Pelalawan districts originates from smallholder farmers. Many farm businesses are informal: they do not have official land ownership or business registration. Their plantations are often located in marginal lands or in designated forest areas. Consequently, these farmers have limited access to financial support or extension services, creating income instability and low yields per hectare.

Siak and Pelalawan district governments are aware of this situation and, as part of their sustainability goals, want to improve oil palm smallholder production practices, secure farmers' land rights and hence improve the livelihoods of their communities. To do so, it is essential to have detailed information on the exact number of smallholder farmers and their location, the size of their land planted with oil palm, and the plantation conditions. However, in the context of the two districts, not all of this information is readily available. This makes it difficult to understand what type of support and level of engagement is needed to improve farmer livelihoods. To address this issue, the Siak and Pelalawan Landscape Programme (SPLP) is supporting the district governments in collecting this data and is supporting the business registration process for smallholder farmers, which is known as STD-B. The STD-B business registration letter is required for ISPO certification and can be used for oil palm rejuvenation programmes, as well as to obtain state funding assistance.

In the first year of the STD-B programme, SPLP started to collect data from 1,215 oil palm smallholders. It follows the government guidelines for information collection on STD-B. By using existing government guidelines and the data collection application, the data collected can be easily transferred to the right government institution and it allows oil palm smallholders to use data for land ownership or business registration processes.

Acceleration of data collection at district level

SPLP collects this data through its Village Support Programme and simultaneously collaborates with the district's technical agencies and the Directorate General on Estate Crops of the Ministry of Agriculture. This includes supporting technical training by senior officials from the national government to the district government teams in Siak and Pelalawan on the use of the national government's STD-B system. At the district level, this has created momentum to accelerate the data collection and both districts are now in the process of mapping all oil palm smallholders in Siak and Pelalawan, irrespective of the location and land status of their plantations. The district governments have ambitious targets to then issue STD-B letters to all farmers that do not yet have them, but who are eligible. The district governments are supported by some palm oil companies in this process.

Tailored support and national goals

The data collected using the STD-B guidelines serves many purposes at village, district and national level. For the smallholders who decide to respond to this opportunity to get the STD-B letter, this will increase their tenure security. The process will align their oil palm plantation with the land use categories for agriculture and will verify that it does not conflict with other concessions or land use. This level of verification provides an essential assurance for smallholders to gain access to finance and long-term investment in their plantations, amongst other benefits.

For the district governments, the data and business registration of farmers will also provide essential information on which farmers need further support regarding land tenure and sustainable management of their plantations. Finally, the STD-B letter is a requirement for smallholders to obtain ISPO certification and, as such, is supporting farmers in this process.

SPLP will continue to closely collaborate with the district government and support their ambition to provide STD-B registration to all farmers, thus improving their livelihoods.



Figure 1 Surveyor interviewing oil palm smallholder.
 Photo credits: Anes Darmawan, SPLP surveyor