RI may soon become top sustainable CPO producer

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- » Indonesia produced 2.3 million tons of certified sustainable palm oil (CSPO) last year
- » Sustainable palm oil production in the country covers 465,745 hectares of land
- » Indonesia contributes 42.4 percent to the world's CSPO output

Indonesia is set to become the world's largest palm oil producer in the near future, driven by increased production of locally certified sustainable palm oil (CSPO) and a higher number of local palm oil producers taking part in the sustainable certification scheme, an international multi-stakeholder certification body says.

The Roundtable on Sustainable Palm Oil (RSPO) Indonesia director, Desi Kusumadewi, said on Friday that last year Indonesian growers produced around 2.3 million tons of CSPO, inching nearer to Malaysia — the biggest CSPO producer at present — which generated 2.7 million tons. Indonesia's major oil palm plantations, such as PT PP London Sumatra Indonesia and PT Musim Mas, contributed 175,031 tons and 151,563 tons respectively to last year's figure.

Overall the country's output was sourced from a total of 465,745 hectares of sustainable oil palm plantations nationwide, as against Malaysia's 534,861 hectares.

"As of February, Indonesia has contributed 42.4 percent to the world's total CSPO output as compared to Malaysia's 47.3 percent," she told *The Jakarta Post* in a statement.

A number of Indonesian plantations, including plasma growers, had been audited by the RSPO since the end of last year, and would lead to a significant rise in local CSPO output, Desi said. As of February, 18 local growers made up half the total of 35 certified growers.

The body earlier estimated that the country's CSPO would surge by more than 50 percent to 3.5 million tons, while its contribution to the global CSPO output would rise by 9 percent to 50 percent.

Indonesia's palm oil output will grow by 6.4 percent to 25 million metric tons this year, according to an Indonesian Palm Oil Producers' Association (Gapki) forecast.

Desi said that to boost its CPSO output, the short-term challenge would be to engage independent and plasma growers in the audit process. Around 42 percent of Indonesian oil palm growers are small holders, according to official data.

"If the output of these plasma and independent growers can be certified, they will greatly increase Indonesia's contribution to CSPO global output," she said.

Several plasma growers, including those in partnership with PT Hindoli and PT Musim Mas, have been certified by RSPO, while others, such as those cooperating with PT Asian Agri, are in the process of getting the certificate, according to RSPO data.

This year, Desi said, the RSPO would begin a pilot project to certify independent growers in three provinces — North Sumatra, Jambi and Riau — with assistance to cover funding for certification.

Sustainable palm oil production has been a key issue for the local palm oil industry due to more stringent requirements from big buyers in terms of social and environmental standards.

In 2010, for instance, several big buyers of Indonesian palm oil, such as Nestlé and Unilever, suspended their purchase contracts as local suppliers were alleged to have cause deforestation due to their massive expansion.

Big buyers in European countries are also committed to source only sustainable palm oil by 2015.

To address the issue, the government has started to apply the so-called the Indonesian Sustainable Palm Oil standard, which is mandatory for all oil palm plantations throughout the country as against RSPO, which is voluntary and consumer-driven.