

Smallholder Palm Oil Cluster: Sharing MPOB's Experience

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Malaysian oil palm smallholders are makeup of organized and independent smallholders. The organized smallholders are managed by government agencies such as Federal Land Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA), Rubber Industry Smallholders Development Authority (RISDA) etc. The independent smallholders are managing their own oil palm farms and getting some assistance from the government. In 2007, MPOB had established Integration Research and Extension Division to organize the independent smallholders and improve their living status by increasing their income. Currently there are about 180,000 independent smallholders which owned 13.6% of the total oil palm area in Malaysia. These smallholders are facing problems such as small land holding, low oil palm productivity, lack of oil palm technologies and unorganized. To assist these smallholders, MPOB had stationed extension workers (TUNAS) all over the country especially in area with high concentration of independent smallholders. The tasks of TUNAS are to group and organize the smallholders by establishing Sustainable Palm Oil Cluster (SPOC). They are also carried out trainings and gathering of smallholder's information to increase their oil palm technical knowledge and disseminate government assistance respectively. The Malaysian government is encouraging the smallholders to undergo sustainable certification. Currently they are voluntarily been certified under Good Agriculture Practices (GAP) and MPOB Codes of Practice (CoP) certification. The CoP certified SPOC will be further certified for Roundtable on Sustainable Palm Oil (RSPO). The government had allocated several funds (RSPO and NKEA) to assist the smallholder certification. Beside environmental friendly, the certification will help in increasing the smallholder oil palm production. The cooperative was established within the SPOC to administer the group and carry out business of buying and selling of fresh fruit bunches and agriculture inputs to benefit the SPOC's members. It is the MPOB plans that SPOC will be a catalyst for the independent smallholders to improve themselves independently in future.