

The Legality Of Cultivated Palm Oil, Research On The Readiness Of Small Holder Farmers In Indonesia To Produce Sustainable Palm Oil (ISPO) Is Reviewed

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ABSTRACT

The Indonesian government is working to ensure the sustainability of the country's palm oil industry through the establishment of a sustainability standard called Indonesian Sustainable Palm Oil (ISPO) in presidential regulation no. 44 of 2020. The purpose of this study is to determine the value of smallholders' ability to comply with Indonesia Sustainable Palm Oil (ISPO) standards based on the legality of farmers' land in Indragiri Hilir. By comparing the legality of cultivated land applied by independent farmers, the audit method is used to conduct a quantitative descriptive analysis of conformity with ispo principles, criteria, and indicators. The legal status of smallholder farmers' land is incomplete, as the majority of oil palm plantations are located in KBK and the majority of land lacks a certificate but does have a letter of compensation.

Keywords:

ISPO; Palm Oil;
Small Holder

INTRODUCTION

The plantation subsector in Indonesia has become one of the sources of non-oil and gas foreign exchange (Hervas, 2020; Mc Carthy et al., 2018). In 2017 Indonesia's CPO production rose from 23.5 million tons to 26 million tons or grew 11.01%, with the amount of Indonesian production still the largest palm oil producer. Production of oil palm in Indonesia in 2016 was 33.23 million tons, resulting from 11.91 million ha of total oil palm plantation area nationally (Euler, Krishna, Schwarze, Siregar, & Qaim, 2017; Gatto, Wollni, & Qaim, 2015; Hartono, 2020). 54.64 percent of national oil palm plantations are cultivated by large private companies (PBS) and 39.08 percent by the people.

Oil palm plantations in Indonesia are managed in three distinct ways: by companies, plasma, or Smallholder (Sihombing, Irawan, & ..., 2019). Smallholder is a method of developing oil palm plantations that farmers undertake independently, including land clearing, planting, maintenance, harvesting, and marketing of produce (Noordwijk, Pacheco, Slingerland, & Dewi, 2017). Smallholder management patterns account for the lion's share of land area in Indonesia's three types of oil palm plantation management, and this self-help pattern of plantations has grown in size steadily (M. Apriyanto, Partini, Mardesci, Syahrantau, & Yulianti, 2021; Nuva, Fauzi, Dharmawan, & Kumala Putri, 2019).

The expansion of oil palm plantation land is critical for grasping the magnitude of Indonesia's oil palm problems (Higgins & Richards, 2019; B Widyatmoko, 2020). The expansion has been blamed for deforestation, increased carbon emissions, and the loss of biodiversity. In line with this, widespread accusations of palm oil production that is not sustainable have been leveled against the industry (Noordwijk et al., 2017; Nurfatriani, Ramawati, Sari, & Komarudin, 2019). By developing The Indonesian

Sustainable Palm Oil Standard, the Indonesian government has taken steps to ensure the palm oil industry's long-term viability (ISPO) (Commission, 2018; Syahza & Asmit, 2020). ISPO certification is either voluntary or mandatory, and independent businesses and farmers who fail to perform or maintain ISPO certification face penalties (Cazzolla Gatti, Liang, Velichevskaya, & Zhou, 2019).

METHOD

Small holder palm plantations are critical to consider as a study parameter. The purpose of this study is to ascertain whether oil palm farmers are willing to comply with Indonesia's Sustainable Palm Oil (ISPO) policy. Field evidence indicates that portions of the plantations are located within legally protected agrarian forest areas. The study location was purposefully chosen, with the three locations forming a cluster of the top five oil palm plantation centers in the Indragiri Hilir Regency. Kempas Jaya, Teluk lanjut, and Pelangiran are three villages in the Indragiri Hilir regency where the study was conducted.

Oil palm plantations' penetration of forest areas poses a significant challenge to the sustainability of oil palm production, particularly in relation to deforestation activities. We collect primary and secondary data. Primary data collection techniques include questionnaire surveys and in-depth interviews (guided interviews). Independent farmers who had been cultivating oil palm for at least five years (had produced) and harvested at least one harvest were selected to participate in the survey. The respondents were chosen at random, namely up to 30 respondents, assuming this number met the Slovin formula's minimum number of respondents required for surveying, with a margin of error of 10%. While secondary data is gathered from a variety of authoritative sources.

RESULTS AND DISCUSSION

TABLE: I. Smallholder Oil Palm Farmers' Land Tenure Area in Three Research Villages, by Legal Status, in Hectare Units (Ha)

Village	(oil palm in forested area /KBK)	(oil palm in a non-forest area /KBNK)	Land Ownership (SHM)	Land Certificates (SKT)	Certificates of Compensation (SKGR)
Kempas Jaya	20a	10b	2	8	20
Teluk Lanjut	25b	5a	1	15	10
Pelangiran	28a	2a	3	17	10

Note : The letters behind the numbers indicate a genuine 10% difference in the level N : 30 sample

One of the principles required for ISPO certification is the legality of land as evidenced by land certificates, land purchase deeds, and other valid proofs of land ownership. As specified in Decree No. 19/Permentan/OT.140/3/2011 of Indonesia's Minister of Agriculture. The ISPO certification scheme, in an ideal world, would certify all independent palm oil farmers in Indonesia (M. R. Hidayat, 2015; Schouten & Glasbergen, 2011).

The agrarian structure of legal oil palm plantations (oil palm in Non-Forestry Cultivation Areas / KBNK) in three villages is shown in Table 1 to be very different from that of illegal oil palm plantations (oil palm in Forestry Cultivation Areas / KBK) (Cazzolla Gatti et al., 2019; Mustofa & Bakce, 2019; Pacheco, Schoneveld,

Dermawan, Komarudin, & Djama, 2020). This demonstrates that smallholder farmers in three villages face legal and status issues when it comes to cultivating land (O. Apriyanto, Irham, Handoyo Mulyo, & Hardyastuti, 2020; Bondan Widyatmoko, 2019). This fact also demonstrates the ramifications of the fact that all oil palm production in the three villages is at risk of agrarian conflict, environmental degradation, and unsustainable production in order to receive ISPO certification (Gusti & Abdillah, 2018; N. K. Hidayat, Offermans, & Glasbergen, 2018; Higgins & Richards, 2019).

The findings indicated that self-help oil palm plantations were established on rural land with two distinct legal statuses (Jelsma, Schoneveld, Zoomers, & van Westen, 2017; Schoneveld et al., 2019). Oil palm plantations established in areas designated as Non-Forestry Cultivation Areas (KBNK) or Other Use Areas are classified as having the first status (APL) (Apriyanto et al., 2022). Oil palm cultivation is legally valid in this first status under forestry law, and thus adheres to sustainable plantation practices (Nurfatriani et al., 2019; Valentina & Kusumawardani, 2016). The second category includes oil palm plantations established within the Forestry Cultivation Area (KBK). Oil palm cultivation on this type of land is prohibited by forestry law and violates sustainable plantation cultivation principles. Illegal land use is frequently the result of oil palm plantations claiming to be located in conservation areas (forest conservation land) or production forest areas (Pacheco et al., 2020; Rodthong, Kuwornu, Datta, Anal, & Tsusaka, 2020). The status of illegal land is frequently associated with the pattern of independent oil palm farmer expansion in the absence of remaining APL / KBNK land. Additionally, land legality is established through land certificate ownership. According to Apriani et al., (2020) study, there was a disconnect between RSPO certification requirements and field practices, one of which was the existence of difficult-to-obtain land certificates. Additionally, the field evidence gathered for this study establishes that land certificates, one of the ISPO certification requirements, are wholly inadequate (Commission, 2018; N. K. Hidayat et al., 2018; Skye Glenday & Paoli, 2015).

The majority of self-help sawti coconut farmers in the three study areas do not have Certificates of Land Ownership (SHM) and rely on subdistrict and village authorities to issue Land Certificates (SKT) or Certificates of Compensation (SKGR) (Foong, Goh, Supramaniam, & Ng, 2019; Jelsma et al., 2017). Both SKT and SKGR lack the necessary legal framework to establish robust and legitimate land tenure rights (Ayompe, Schaafsma, & Egoh, 2021; N. K. Hidayat, Glasbergen, & Offermans, 2015).

CONCLUSION

The legal status of smallholder farmers' land is not yet complete, as the majority of oil palm cultivation plantations are located in KBK and the majority of land does not have a certificate but does have a letter of compensation.

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