



PRESS RELEASE

Towards Sustainable National Palm Oil Management through One to One Partnership Commitment

Bogor, March 14, 2018 - The importance to assist palm oil smallholders in order to create sustainable palm oil was presented by Asian Agri in National Palm Oil Seminar, Sustainable Smart Plantation at IPB International Convention Center, Bogor today (14/3).

All stakeholders in the palm oil industry including policy makers, academics, business players to students and banks, Fadhil Hasan, Asian Agri's Corporate Affairs Director, delivered the company's and smallholders' assistance pattern as one of the key keys to create a sustainable national palm oil industry.

As a country's foreign exchange hero, smallholders currently manage about 38% of the 12 million hectares of total land area of oil palm plantations in Indonesia, they play important role in meeting domestic demand for palm oil and export demand by contributing 31% of palm oil production in 2017 from smallholder-owned plantations.

"The potential to increase the production of smallholders' plantation is very feasible if we can manage properly," said Fadhil.

Many factors such as inadequate knowledge and ability to implement sustainable practices and access to facilities such as transportation and materials such as seeds and fertilizers are still a major challenge for smallholders to improve the quality of their plantation.

"The company partnership program with smallholders is needed to assist smallholders to face these challenges and implementing best practices for sustainably managing their plantations, and improving the welfare of farm families," said Fadhil.

As a pioneer in the palm oil partnership program in Indonesia, Asian Agri's partnership program focus on the intensification and welfare of smallholders to encourage economic growth and environment sustainability.

The partnership program have been successfully achieved by Asian Agri with smallholders, including the dissemination of all Asian Agri smallholders by the RSPO in 2017. Asian Agri's independent smallholder through the Association Amanah became Indonesia's first smallholder association to achieve RSPO certification in 2013 and ISPO in 2017.

Asian Agri's commitment in assisting smallholders is confirmed through the One to One Partnership Program, which will create partnership with smallholders to manage their plantation entirely similar to Asian Agri's owned plantation of 100,000 hectares in 2018.

Asian Agri is currently assisting plasma smallholders who manage 60,000 hectares and independent smallholders covering 31,000 hectares of oil palm plantation.

"Through the One to One Partnership Commitment, Asian Agri strives to share the success it has achieved through partnership with smallholders to reach more independent smallholders in order to achieve sustainable national plantation management and the welfare of national farmers," said Fadhil.

About Asian Agri:

Asian Agri is one of the leading private companies in Indonesia producing crude palm oil (CPO) since 1979 and employs around 25,000 people today. Since 1987, Asian Agri has been a pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program. Today, the company manages 100,000 Ha of land and partners 29,000 smallholder families in Riau and Jambi who operate 60,000 Ha of palm oil plantation.

Asian Agri's success in becoming one of the leading CPO companies has been acknowledged internationally with the ISO 14001 certification for all of its operations. Its Learning Institute in Pelalawan, Riau, as well as its nursery research center in Kampar, Riau are ISO 9001 certified. In addition, Asian Agri's R&D Center in Tebing Tinggi has also obtained certification by the International Plant-Analytical Exchange at the WEPAL lab at Wageningen University in The Netherlands, for its high standards.

More than 86% of both owned plantations in North Sumatra, Riau & Jambi provinces & scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified.

All plantations have also been ISCC-certified (International Sustainability & Carbon Certification), including plantation owned by smallholders. Palm oil mills and plantation in Buatan, Ukui, Soga, Tungkul Ulu, and Muara Bulian have been ISPO (Indonesian Sustainable Palm Oil) certified.

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