Malaysian Independent Oil Palm Smallholders and their Struggle to Survive 2020

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EXECUTIVE SUMMARY

- Malaysia, together with Indonesia, supplies 85 percent of the world’s palm oil, with the country’s highest export markets being China and India. It is however battling claims of environmental damage from Europe and the USA, to which it supplies far less palm oil.

- Of Malaysia’s palm oil output, 40 percent is produced by smallholders, either independent or organised. While organised smallholders have technical, manpower and market support from government agencies such as FELDA, FELCRA or RISDA, many independent smallholders have no access to the above and suffer low yields.

- 13.6 percent of Malaysian independent smallholders are family-run with poor social and environmental standards due to capital constraints. The incomes of these families are about RM1600 (SGD530) per month, well below the new national poverty line of RM2,208 (SGD725).

- In spite of third quarter (2020) increases in palm oil prices and global demand, Covid-19 has had severe impacts on the industry, especially on independent smallholders. Mandatory requirements for sustainability certification add to smallholders’ financial burdens.

- Budget 2021 has allocated RM20 million (SGD6.57 million) for oil palm sustainability certification but more needs to be done for independent smallholders to solve their perennial problems of land tenure, limited capital and lack of market access.

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INTRODUCTION

Malaysia is the world’s second largest producer of palm oil; an industry that is not without controversy and dispute. Together with Indonesia, these two Southeast Asian nations produce 85 percent of the global palm oil supply and meet 34 percent of the world’s vegetable oil consumption (Kushairi et al, 2018). The total export value of oil palm products in 2018 was RM67.5 billion (SGD22.18 billion). In 2019, oil palm contributed 37.7 percent of Malaysia’s agricultural GDP, with its largest export markets being China and India (in that order as at end November 2020). Export to the European Union (EU) and the USA is far smaller. However it is with these regions that the country battles the most in terms of oil palm sustainability, human rights violations and regulations.

The oil palm industry can be split into several categories: plantations owned by large businesses or conglomerates, independent smallholders, organised smallholders and state-scheme or government-owned plantations. This breakdown for Malaysia is illustrated in Figure 1 below.

Figure 1: Malaysian Oil Palm Producers


Smallholders comprise farmers who own 100 acres of land or less (40.46ha). In Malaysia, oil palm smallholder production makes up 40 percent of all output (more than 300,000 individuals) and contributes 18 million tonnes of palm oil production per year to the national total. Smallholders fall under two categories: organised smallholders (such as those under...
FELDA, FELCRA or RISDA, government agencies that support oil palm and rubber smallholders through resettlement and crop conversions schemes or other assistance) or independent smallholders. The former garner technical, processing and marketing support, as well as financial assistance from their umbrella organisations, while independent smallholders are able to access assistance through TUNAS, an assistance centre under the Malaysian Palm Oil Board (MPOB). Independent smallholders make up 0.99 million hectares (16.7 percent) of total planted oil palm and comprise 260,353 farmers as of December 2019, with the largest number of independent smallholders in Johor (Arshad et al, 2020).

This paper briefly discusses the background to Malaysia’s oil palm industry, and in particular, its independent smallholders and the obstacles they face. A discussion of international and local certification schemes follows, before the impact of all of the above on communities that depend on this produce for a living is examined. The paper concludes with a look at how the current Covid-19 pandemic has affected smallholders.

BACKGROUND

While oil palm was brought to Malaysia from West Africa as part of colonial agricultural development efforts, the refining of crude palm oil only began in the 1970s as part of the move to industrialise Malaysia’s agricultural economy. Today, 4.49 million hectares (ha) are under oil palm cultivation, annually producing 17.73 million tonnes (MT) of palm oil and 2.3 MT of palm kernel oil. Oil palm thus takes up 11.75 percent of Malaysia’s total land area, and is the largest contributor to Malaysia’s agricultural GDP.

However, the industry is deeply mired in controversy. Global campaigns originating in Europe and the US have branded the crop the biggest cause of deforestation; an accusation vividly illustrated by viral videos of a lone orangutan trying to fend off an oncoming bulldozer. Aside from both floral and faunal biodiversity loss, other allegations in the long list of environmental violations by the oil palm industry include the draining of peat swamps for plantations; the use of open burning to clear land and expired crops which lead to transboundary haze; the seizure of indigenous land without free and prior informed consent (FPIC); and myriad human rights abuses in the use of illegal migrant and child labour.

In response, oil palm proponents have accused the global north of trade protectionism, implying that the allegations were meant to boost demand for their own vegetable oils made from soy, sunflower and rapeseed. Published research contests that livestock farming clears more forests and has a larger impact on the environment and that oil palm in fact sequesters carbon, offsetting its burden on global warming (Basiron and Yew, 2015; Leblank and Russo, 2008). Some publications also posit that oil palm plantations in fact support biodiversity (Fizherbert et al, 2008). This is a claim that is often corroborated by those who work and live in and around oil palm plantations; they describe how orangutans and other wildlife enter these areas to eat the fruit before returning to surrounding forests to sleep.

Malaysia and Indonesia both have laws that limit the percentage of land that can be used for agriculture, oil palm-related land clearing and deforestation. Oil palm is also known to be more efficient than other crops, requiring a smaller area (0.20 ha of land) to produce a tonne
of oil. In Malaysia, oil palm is seen as a means of poverty alleviation as land resettlement schemes for oil palm cultivation under FELDA reduced the 50 percent poverty rate amongst smallholder communities in the 1960s to just 5 percent today. For many in rural areas, oil palm is the only way to meet needs that cannot be harvested from the wild; enabling communities to put food on the table and their children through school.

SMALLHOLDERS

Oil palm smallholders in Malaysia are often family-owned estates that depend on family (including children) and migrant labour (at times, illegal). For many, oil palm is a primary source of cash income, but consumption and subsistence crops are often also grown alongside for food security. Many smallholders are indigenous people (in both east and west Malaysia) who may or may not have actual land titles, though they may have lived on and used the area for generations. Others may be rural farmers with equally difficult access to mills and markets given their far-flung locations. Their crops often have poor yield, they use little to no technology, and environmental degradation by way of forest clearing, land burning and fertiliser use are rampant.

Many smallholders made the switch to oil palm from cash crops, which had otherwise served as the family’s source of nutrition. This is especially so in remote rural and indigenous communities in need of cash incomes. The Rubber Industry Smallholders Development Authority (RISDA) also offers replanting subsidies for farmers who decide to switch to oil palm. FELDA and FELCRA began with social objectives to resettle and alleviate poverty through oil palm, and have proven to be among the most successful of government-led initiatives to organise and provide support to smallholders. There have also been several attempts at forming cooperatives to handle cash flows and access to markets (Kushairi et al, 2019), and myriad associations such as the National Association of Smallholders which work to provide a collective voice for small farmers.

However, in spite of the advantages offered by such initiatives, many of Malaysian oil palm smallholders remain independent (Rosniza Aznie et al, 2018). Some were initially under FELDA schemes but opted not to continue after the first 15-year maturity agreement, either in the hope of getting a better deal with independent millers, or to avoid joint estate costs and fixed fertiliser charges; in spite of potentially lower yields (Vermeulen & Goad, 2006). In general, independent farmers have limited to no access to the wider market or to millers, and are usually entirely dependent on middlemen who are willing to travel the distance to collect their ripe fresh fruit bunch (FFB) harvests. This also means that they have little to no support in terms of seeds, fertiliser and manpower.

INDEPENDENT SMALLHOLDERS: REALITIES ON THE GROUND

Independent smallholders comprise 16.7% of all oil palm producers in Malaysia (MPOB, 2020) whose everyday realities are a far cry from oil palm estates under large business or plantation ownership. The following figure illustrates the spread of independent oil palm farmers across Malaysia.
As discussed in the previous section, independent smallholders often struggle with a lack of capital and land tenure. Johor, Sarawak and Sabah have the highest number of independent smallholders in Malaysia, with each state facing its own set of unique issues and difficulties.

**Johor**

Johor has always been, and remains, an agricultural powerhouse, in spite of increasing urbanisation and development across the state. Land has been cleared for rubber plantations and other crops since the 1800s, abetted by the state’s extensive railway networks and access to international markets through Singapore. Hence, while deforestation is the oil palm industry’s biggest bogeyman, this problem does not apply to Johor’s smallholders, who simply switched to oil palm over time (Pakiam, 2018). Tightened laws on illegal logging at both the state and federal level further neutralises this contention for the state.19

In 2015, more than half of Johor’s land was used for agriculture, with almost 75 percent dedicated to oil palm. This agricultural imprint is expected to expand until 2030 (Pakiam, 2018). Johor has the highest number and acreage of independent smallholders in Peninsular Malaysia. A study of independent smallholders in Johor (Ismail et al, 2003) showed that while there were lower costs and higher incomes compared to estate outputs, yield was low,
and many of the smallholdings were of mature crops with elderly owners. Farmers in Johor often struggle with low capital, and manpower to handle manual labour – especially with children opting to work in nearby big cities instead of on family farms. While some enterprising individuals help older landowners manage their farms, many continue to struggle with new requirements for sustainability certification; only 4.2 percent of Johor’s independent smallholders are Malaysia Sustainable Palm Oil (MSPO)-certified.

**Sarawak**

The legitimacy of land ownership is often the biggest problem for smallholders, especially in East Malaysia. Indigenous communities in particular, struggle with issues of land tenure, as indigenous ancestral lands are not necessarily recognised by state governments, even though the communities have lived, worked and died on them for generations.

Sarawak initiated Konsep Baru (New Concept) for rural land development in areas under native customary rights. This initiative resulted in indigenous communities retaining 30 percent ownership over land, while 60 percent goes to a selected plantation company to provide financial capital to develop the land for palm oil. The remaining 10 percent goes to the state government as power of attorney and trustee. The indigenous landowner loses all say in daily decision making in the signing of the agreement, while the plantation company has a right to extend the agreement for another 60 years if there is no profit made. This scheme was highly contested by Sarawak’s indigenous people, but land tenure uncertainty and controversy continue until today (Vermeulen and Goad, 2006).

A number of NGOs work with communities and local leaders to verify and negotiate land titles with state land and forestry departments as part of national efforts to attain sustainability certification. One of the main obstacles to attaining certification by either the MSPO or the Roundtable for Sustainable Palm Oil (RSPO) however, is the need to provide proof of land tenure.

**Sabah**

Sabah produces 10 percent of the world’s oil palm but remains one of Malaysia’s poorest states, with the highest levels of absolute poverty. Many smallholder families live under the national poverty line, earning an average of RM1,600 (SGD533) per month. Notwithstanding the environmental controversies that surround oil palm, it is this crop that helps communities scrape through financial difficulties, providing between one third to half of a household’s income (Forever Sabah, 2018). A smallholder’s median income in Sabah is RM1,500 (SGD500) per month; 92 percent of those studied by Forever Sabah reported that this is not enough to cover their basic needs. The reality however is that the hurdles of certification may now actually leave them in deeper difficulty than before.

In an initiative led by the state Forestry Department, Sabah worked to apply the RSPO’s jurisdictional approach for state-wide oil palm certification; an approach that allows smallholders to pool resources and share facilities as well as benefit from communal training and support to attain certification. Forever Sabah estimates that in spite of MPOB claims to the contrary, there are at least 13,000 smallholders in Sabah who are not even MSPO-certified (Forever Sabah, 2018).
Many smallholders do not understand the requirements for oil palm certification; some were not even aware of the existence of MSPO and RSPO. This difficulty is compounded by the inability of certifying bodies to translate those requirements into a language that rural and indigenous communities can comprehend. While there may be a bounty of information online, a lack of phone or internet access and at times, illiteracy, makes it difficult for rural communities to get to and use the resources available. Other NGOs have reported that some indigenous communities were made to believe that without certification, they would not be able to sell their harvests at all.

Malaysia’s efforts to put forward a sustainable face to its oil palm industry may make conditions more difficult for its smallholders, especially if the proclaimed certification assistance does not reach the most rural of farmers. This purported ‘sustainability’ is hence not inclusive or authentically sustainable.

REGULATING THE OIL PALM INDUSTRY

The Roundtable for Sustainable Palm Oil (RSPO) is an international multiple-stakeholder initiative (MSI) that works to install and instil sustainability standards for the oil palm industry. It is an industry-driven voluntary certification scheme, on whose board sit representatives from all sectors of the oil palm industry, human rights and environmental NGOs, as well as smallholder and selected country representatives (Indonesia, Malaysia, or ‘the rest of the world’). Many of the big name oil palm refining, milling and plantation organisations are members of the RSPO. The organisation manages myriad levels of certification on individual sectors (supply, processing etc.) or also on the entire supply chain, the highest form of certification available.

Detractors of the RSPO and its certification system contend that, as an industry-driven initiative, it is more greenwashing than facilitating authentic sustainability. These critics cite highly publicised incidents of the organisation’s inability to enforce and prevent open burning by RSPO members nor settle land disputes with local and indigenous people as examples of its ineffectiveness.

Beyond its difficulty in convincingly establishing itself as an independent entity, the RSPO also faces allegations of bias in favour of the larger industry members that purportedly drive its agenda. Higgins notes that MSIs like the RSPO “prevent dissenting views” (Higgins, 2018: 127), and decision-making is skewed towards more profitable actors in the group. The needs of local, non-corporate entities such as subsistence farmers and indigenous people are made invisible, entrenching “historical inequities and enhancing marginalisation” (Higgins, 2018: 128). Obstacles placed in the way of smallholders include prohibitive technical and technological requirements (including physical infrastructure) and the high cost of certification and auditing.

To its credit, the RSPO now has a task force dedicated to smallholders, especially as global smallholder production comprises 3 million farmers worldwide. There are now also a number of tools that can help smallholders overcome the financial hurdles of certification, including the RSPO Smallholder Support Fund and the jurisdictional certification scheme. There are also numerous NGOs that focus primarily on helping smallholder farmers achieve necessary certification and gain access to markets.
However, in response to perceived deficiencies in the RSPO system and to assist those who are not reached by the NGOs, Malaysia and Indonesia have created their own certification schemes that purportedly take into account local contexts and smallholder limitations. These schemes reframe ‘sustainability’ to ensure competitiveness in major markets such as India and China where there is less demand for RSPO certified palm oil (Higgins, 2018) and to which most of their palm oil exports are sent.31

In Malaysia, the Malaysian Sustainable Palm Oil (MSPO) certification scheme is administered by the Malaysian Palm Oil Board (MPOB), and there is a national target to ensure that all plantations, including smallholdings, are certified by 2020.32 However, these initiatives and certification schemes are also industry-led, and therefore sceptics still dispute their objectivity, authenticity and effectiveness.33

2020 AND THE COVID-19 STRUGGLE

As the Covid-19 pandemic closed borders and led to movement restriction orders globally and domestically, rural and indigenous oil palm smallholders were hit the hardest. Harvested fruit could not get to market as middlemen could not travel beyond the 10km movement limit, and farmers’ markets, mills and oil palm processing facilities were forced to stay closed. Rural communities ran out of cash and there was no way for them to buy basic necessities cannot be harvested from the wild. Exacerbating this is the existent damage already done to the landscapes of many rural and indigenous people. Deforestation, mining and displacement mean that the natural habitats that they depend on for food and medicine are now depleted or inaccessible.

While the global focus on the pandemic somewhat reduced the vehemence of international campaigns against Southeast Asian palm oil, other political snafus (prior to the pandemic) also resulted in an Indian boycott of Malaysian palm oil.34 This added to the slump that resulted from a global slowdown in oil palm prices, overall manufacturing and production, and international trade in general. Figure 3 below illustrates how much oil palm prices fell by over the first six months of the pandemic, compared to the same time period in 2019. The graph seems to indicate that there is a seasonal peak towards the end of the year, however the dip in prices in the middle of 2020 (as a result of the pandemic) is more severe.
Figure 3: Comparison of Oil Palm Prices (between 2019 and 2020)


The following table indicates the switch in oil palm exports to India and China over the same period of time, both as a result of pandemic and political missteps made by top leaders. There is an almost 50 percent drop in exports to India between 2019 and 2020, while China is steady with a slight increase in 2020, in line with increasing global prices.

Table 1. Comparison of Malaysian exports of oil palm to India and China (Jan-Nov 2019 vs Jan-Nov 2020).

<table>
<thead>
<tr>
<th>Time period</th>
<th>Export to India (MT)</th>
<th>Export to China (MT)</th>
<th>Total export to India &amp; China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan to Nov 2019</td>
<td>4,270,864</td>
<td>2,233,888</td>
<td>6,504,752</td>
</tr>
<tr>
<td>Jan to Nov 2020</td>
<td>2,178,517</td>
<td>2,583,025</td>
<td>4,761,542</td>
</tr>
</tbody>
</table>


As India and China are Malaysia’s biggest export markets, the huge drop in quantity and prices had a severe impact on the country’s oil palm economy in the first half of 2020. This was particularly felt by smallholders for whom every ringgit earned in harvest sales made a substantial difference to their ability to survive.
The latest data from Malaysia’s Department of Statistics (2020) reveal that palm oil product exports increased in the third quarter of 2020. Figure 4 below illustrates the monthly exports between January and November in both 2019 and 2020. As prices were seen to rise (in Figure 3), year-end exports have dipped, with the 2020 seasonal decline falling a little further compared to the year before. This is in spite of a higher overall global demand as countries begin to revive their economies. Experts caution, however, that Malaysian production of fresh fruit bunches and replanting of older crops has declined (especially by smallholders), and reports indicate that the oil palm growth figures are more of a reflection of an increase in oil palm acreage than yield. 

Figure 4: Malaysia’s Monthly Overall Oil Palm Exports (Jan to Nov 2019 and 2020)


Indeed, an examination of oil palm export figures from 2018 to 2020 indicates that overall exports have declined over the pandemic period, with changes in the volumes exported to Malaysia’s largest markets. Figure 5 below illustrates how exports from January to November in 2018 and 2019 have changed for selected destinations (China, India, Pakistan and the Netherlands are Malaysia’s biggest markets), compared to available figures for 2020. Experts note that prices and exports are now rallying, but it is still unclear whether the increase is due to China’s return to full economic functionality or because of the La Niña impact on competing oils such as soy. Nonetheless, any increase in prices and demand, will improve the livelihoods of smallholders.
THE WAY FORWARD

While the Covid-19 pandemic and the subsequent global economic fallout has had an impact on the palm oil industry as a whole, the sharpest blows fall upon smallholders who already struggle to keep themselves above the poverty line. Malaysia’s Budget 2021 provided for an increased allocation to the Ministry of Plantations and Commodities, which included a RM20 million allocation for MSPO certification.

For smallholders, whose main costs of workers’ salaries and fertilisers can hardly be met with current pandemic-affected incomes, any aid for the mandated certification will help. Only 24.82 percent of independent smallholders have been certified under MSPO as of 31 May 2020, while 99.07 percent of those under organised schemes were certified. However, this premise assumes that MSPO certification will automatically generate improved incomes for all smallholders; an assumption which may not necessarily apply to independent farmers.

Given that oil palm smallholders are seen as the key to a more sustainable crop, they should receive more assistance from all parties (federal and state governments, MPOB and RSPO) so as to ensure that they have the right technical and market information, as well as market
access to move beyond mere survival to real success. Independent smallholder success could hold the key to a stronger and more sustainable palm oil agricultural economy for Malaysia.

REFERENCES


2 Oil palm contributed 37.7 percent of Malaysia’s agricultural sector, which in turn made up 7.1 percent of the 2019 GDP figure of RM1,421.5 billion (SGD467.15 billion). Source: Department of Statistics Malaysia Online Portal: Selected Agricultural Indicators Malaysia, 2020. [https://www.dosm.gov.my/v1/index.php?c=column/cthemeByCat&cat=72&bul_id=RXVKUVJ5TithHM0cwYWxlOHcxU3dKdz09&menu_id=Z0VTZGU1UHBUT1VJMFlpaXRRR0xpdz09](https://www.dosm.gov.my/v1/index.php?c=column/cthemeByCat&cat=72&bul_id=RXVKUVJ5TithHM0cwYWxlOHcxU3dKdz09&menu_id=Z0VTZGU1UHBUT1VJMFlpaXRRR0xpdz09) (accessed 30 Nov 2020).


4 Over the period of Jan to July 2020, export to the Netherlands was 747,006 MT; to USA 387,345; to Germany 15,877 MT; and to the UK 10,728 MT – less than 50% of Malaysia’s exports to China (1,547,129MT) over the same period. Malaysian Palm Oil Council, Export to major countries and Exports by destination. [http://mpoc.org.my/monthly-palm-oil-trade-statistics-2020/](http://mpoc.org.my/monthly-palm-oil-trade-statistics-2020/).


7 Global Oils & Fats Business Online. Malaysian Palm Oil - Industry Overview: Performance in 2018 [http://gofbonline.com/malaysian-palm-oil-industry-overview/](http://gofbonline.com/malaysian-palm-oil-industry-overview/). Crude palm oil comes from the outer part of the fruit: its flesh or pulp, while palm kernel oil is taken from the inner, softer part of the seed.


9 Oil palm contributes 7.3 percent of Malaysia’s agricultural GDP (RM99.5 billion). Department of Statistics, Malaysia. Agriculture [https://www.dosm.gov.my/v1/index.php?c=column/ctwoByCat&parent_id=45&menu_id=Z0VTZGU1UHBUT1VJMFlpaXRRR0xpdz09](https://www.dosm.gov.my/v1/index.php?c=column/ctwoByCat&parent_id=45&menu_id=Z0VTZGU1UHBUT1VJMFlpaXRRR0xpdz09).

10 These have culminated in new laws that may require the declaration of oil palm in consumer products, which could harm Southeast Asian exports. Refer to: Anuar, A. 22 August 2019. “The
pitfalls of Malaysia’s palm oil defence,” East Asia Forum.  
https://www.eastasiaforum.org/2019/08/22/the-pitfalls-of-malaysias-palm-oil-defence/  
11 International Animal Rescue video posted on 5 June 2018 (World Environment Day):  
https://www.youtube.com/watch?v=hT5xsWdvi8E  
12 Note that these publications are hosted by oil palm industry-friendly journals such as the Journal of Oil Palm, Environment and Health, and the Journal of Oil Palm Research (to name a few), and there is little acknowledgement of sources of funding or backgrounds/affiliations of the researchers.  
13 Personal communication: fieldwork July 2018 in Sabah – interviews with oil palm NGOs and relevant state agencies.  
14 Agricultural expansion for oil palm is limited to land zoned for agriculture. The effectiveness of these laws have however often been called into question as they are either deemed insufficient, riddled with loopholes or simply not enforced due to corruption, lack of manpower for monitoring and enforcement or difficulties in accessing rural areas where plantations have sprouted.  
15 This is very productive compared to soybean (2.2 ha), sunflower (2 ha) and rapeseed (1.52 ha). The palm oil variety grown in Malaysia in particular, produces 4-5 tonnes of crude palm oil (CPO) per hectare per year. Refer to: Malaysian Palm Oil Council - Palm Oil & the Environment.  
16 Malaysian Palm Oil Council - Palm Oil & the Environment.  
17 One example of the stand that NASH takes is a recent call for more assistance to oil palm smallholders in response to Budget 2021: “NASH seeks to reintroduce smallholder palm oil replanting assistance scheme,” New Straits Times. 5 Nov 2020.  
18 The Mah Meri women of Pulau Carey were paid only RM3 (SGD$1) per sack of collected loose ripe fruit (those that fall off the fresh fruit bunches during harvest): personal communication, Reita Rahim, Gerai OA.  
19 This applies to inland forests, but may not necessarily apply to riverine mangroves and peatlands which may still be cleared for oil palm as they do not fall under the ‘inland forest’ category. Damage inflicted on mangrove forests and peatlands for oil palm and myriad other development projects continue to occur in Johor.  
22 This is based on the revised poverty line figure of RM2,208. Refer to: Lim, I. 10 July 2020. “Statistics Dept: Malaysia’s new poverty line income is RM2,208, over 400k households considered poor,” Malay Mail.  
23 The average Malaysian independent smallholder (often a subsistence farmer) has only 3.9ha of land. Refer to: Senawi, R; Rahman, N.K.; Mansor, N. and Kuntum, A. 2019. Transformation of Oil Palm Independent Smallholders through Malaysian Sustainable Palm Oil. Journal of Oil Palm Research. DOI:  
24 In 2015 Datuk Sam Mannan, then Sabah Forestry Department director, announced Sabah’s goal to be a Certified Sustainable Palm Oil (CSPO) state, with all oil palm industry members certified under the RSPO by 2021. This was the beginning of the implementation of the RSPO jurisdictional approach to certification in Sabah (personal communication: Datuk Sam Mannan, 2016 and fieldwork in July 2018 in Sabah). There are those who disagree with the effectiveness of

25 Personal communication: July 2018, fieldwork in Sabah – interviews with oil palm industry members and relevant agency staff.

26 Personal communication: Reita Rahim, Gerai OA (July 2020).

27 Refer to: The Edge Markets. 4 August 2019. “Over RM100 mil allocated to assist smallholders get MSPO certification”. https://www.thedegemarkets.com/article/over-rm100-mil-allocated-assist-smallholders-get-mspo-certification

28 It is possible to be an affiliate member of the RSPO for various purposes if one is not a sustainable oil palm producer. More information can be found at: https://rspo.org/members/membership-categories


30 The RSPO definition of a smallholder is a landowner of less than 50 hectares of land who often grows oil palm alongside subsistence or food crops. Source: https://rspo.org/smallholders

31 Also refer to: Palm Oil Today. 5 Dec 2016. “What are the issues with RSPO and can MSPO be a game changer”. http://palmoiltoday.net/issues-with-the-rspo/


37 This is because smallholders under organised schemes such as FELDA are easier to manage as a whole, compared to independent smallholders who are often beyond physical and contactable reach. Refer to: “96.04% of oil palm estates have achieved MSPO certification – MPOB.” 7 July 2020. https://mpoc.eu/96-04-of-oil-palm-estates-have-achieved-mspo-certification-mpob/#:~:text=He%20said%20as%20of%20May,organised%20smallholders%20with%20670%20hectares. (accessed 30 Nov 2020).
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