

# 2017 Indonesia Sustainable Palm Oil Short Course

Indonesia  
Bogor & Jambi  
20 November – 9 December 2017



## **Background Information**

Palm oil is a highly efficient, highly yielding source of food and fuel. It has become one of the most important commodities in Indonesia, which supports million of Indonesian livelihoods. Indonesia is the world's largest producer and exporter of palm oil. Over the long term, global palm oil demand shows an increasing trend as an expanding global population gives rise to rising consumption of food and cosmetic products that contain some sort of material that is derived from palm oil. Meanwhile, various governments across the globe encourage the use of bio fuel.

Few Indonesian industries have shown such robust growth as the domestic palm oil industry during the past 20 years. This growth is reflected by the country's rapidly rising production and export figures as well as by the growing quantity of its palm oil estate area. Driven by increased global demand and higher yields, palm oil cultivation has been expanded significantly by Indonesian farmers and conglomerates (at the expense of the environment and at the expense of production figures of other agricultural products such as cocoa or coffee because farmers switched to palm oil plantation due to the promising perspectives).

The majority of Indonesia's palm oil output is exported. The most important export destination countries are China, India, Pakistan, Malaysia, and the Netherlands. Although the numbers are very insignificant, Indonesia also imports some palm oil, primarily from India.

Indeed, the majority of Indonesian palm oil is exported (see table below).

### **Indonesian Palm Oil Production and Export Statistics:**

	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Production</b> (million tons)	19.2	19.4	21.8	23.5	26.5	30.0	31.5	32.5	32.0
<b>Export</b> (million tons)	15.1	17.1	17.1	17.6	18.2	22.4	21.7	26.4	27.0
<b>Export</b> (in USD billion)	15.6	10.0	16.4	20.2	21.6	20.6	21.1	18.6	18.6
<b>Plantation Size</b> (in million ha)	n.a.	n.a.	n.a.	n.a.	9.6	10.5	10.7	11.4	11.8

Sources: Indonesian Palm Oil Producers Association (Gapki) & Indonesian Ministry of Agriculture

The table above shows production of palm oil has grown rapidly in Indonesia over the past decade. The Indonesian Palm Oil Association (Gapki) stated that its target is to see Indonesia producing at least 40 million tons of CPO per year from 2020.

Indonesia's oil palm plantation and processing industry is a key industry to the country's economy: the export of palm oil is an important foreign exchange earner while the industry provides employment opportunities to millions of Indonesians. In terms of agriculture, palm oil is

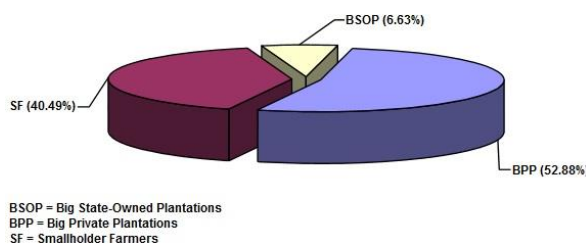
the most important industry of Indonesia contributing between 1.5 - 2.5 percent of the nation's gross domestic product (GDP). Almost 70 percent of Indonesia's oil palm plantations are located on Sumatra where the industry was started during the Dutch colonial days. The remainder - around 30 percent - is largely found on the island of Kalimantan.



**Notes: 1. Sumatra; 2. Kalimantan**

In terms of geography, Riau (Sumatra) is the leading palm oil producer in Indonesia, followed by North Sumatra, Central Kalimantan, South Sumatra, and West Kalimantan. According to data from Indonesia's Statistics Agency (BPS) the total area of oil palm plantations in Indonesia is currently around 11.9 million hectares; a figure that is about three times higher than in the year 2000 when around four million hectares of Indonesian soil was used for palm oil plantations. This figure is expected to increase to 13 million hectares by the year 2020.

State-owned enterprises play a very modest role in the Indonesian palm oil sector as they own relatively few plantations. Meanwhile, big private enterprises (for example, the Wilmar Group and Sinar Mas Group) are dominant, producing slightly over half of total Indonesian palm oil output. Smallholder farmers account for around 40 percent of total production. However, most of these smallholder farmers are highly vulnerable to global downswings in palm oil prices as they cannot enjoy the cash reserves (or bank loans) that the big planters have at their disposal.



The Indonesian companies (for example Unilever Indonesia) have invested heavily in recent years to expand palm oil refining capacity. This is in line with the government's ambition to extract more revenue from Indonesia's natural resources. The country has always been mainly focused (and dependent) on the export of raw palm oil (and other raw commodities) but over the past decade authorities have shifted their priority to refined

products, higher up in the value chain, which also form a buffer in times of sliding palm oil prices. Palm oil refining capacity in Indonesia is understood to have jumped to (an annual) 45 million tons by the start of 2015, up from an 30.7 million in 2013, and more than double the 21.3 million in 2012.




As one of the world's largest producer of palm oil, Indonesia has been committed to improve the sustainability and productivity of palm oil industry, especially the one run by small holders. Following up the aforementioned facts, the Ministry of Foreign Affairs of the Republic of Indonesia in cooperation with Bogor agricultural University, Jambi University, Tadulako University and Goettingen University (Germany) will hold a short course regarding Indonesia Sustainable Palm Oil to give opportunity for learning the sustainability and productivity of palm oil industry in Indonesia. The Short Course spells high quality academics, combined with field experiences, and a wide range of cultural and social activities. It will enlighten its participants with a solid understanding of Indonesian sustainable palm oil industry.

## **Eligibility Criteria for the Participants**

The 2017 Indonesia Sustainable Palm Oil Short Course offers to the candidates that fulfil the requirements as follows:

1. The course is open to Italian Citizens with the qualifications below:
  - a) Bachelor/Master/PhD students;
  - b) Teacher/ Lecturer
  - c) Governments Officials
  - d) NGOs (senior or junior officer )
2. Age: 25-40 years old.
3. Candidate must be in good health condition (physically and mentally).

## **Why Attend This Course**

-  To learn recent concept in palm oil production;
-  To have practical on-farm experiences;
-  To "get the feeling "of working and living in inter-cultural, multilingual, and in reflective and collaborative environment.

## **Activities**



*1<sup>st</sup> Week*

### **Bogor Agricultural University**

Learn latest policies, facts, and palm oil industry structure, as well as knowledge on research development.



*2<sup>nd</sup> and 3<sup>rd</sup> Week*

**Jambi University**

Visit the palm oil fields, palm oil factory, stay with traditional farmers and gather social cultural views.

**Fund and Supports**

Participants will be granted international and domestic flights, local accommodation, local transportation, field trips, meals and pocket money by the committee during the short course.

**Deadline of the Application for the Short Course:**

❖ 9<sup>th</sup> of November 2017 at 10.00

**Contact Person**

Mrs. Lituhayu Diah Kumolowati  
The Embassy of the Republic of Indonesia  
Via Campania, 55-00187, Rome, Italy  
Phone: +39 06 420 0911  
Fax: +39 06 488 0280  
E-mail : [economic.section@indonesianembassy.it](mailto:economic.section@indonesianembassy.it)

## Tentative Program of Summer Course – Oil Palm Industry in Indonesia

**Bogor, 20-25 November 2016**

Schedule	Programs	Remarks
Day 0 : Sunday, 19 Nov 2017	Arrival and pick up the participants from the airport	
<b>Day 1: Monday, 20 Nov 2017</b>	<b>Opening &amp; Introduction</b>	
08.30 – 09.00	Departure from the Guesthouse	OC
09.00 – 09.30	Courtesy meeting to Rector	OC
09.30 – 10.30	Opening Ceremony	OC
10.30 – 12.30	Introduction: participants and about the summer course	Course leader
12.30 – 13.30	Lunch break	
13.30 – 15.30	Lecture on oil palm industry in Indonesia	Ministry of Agriculture
15.30 – 16.00	Back to the Guesthouse	OC
19.00 – 21.00	Welcome Dinner	
<b>Day 2: Tuesday, 21 Nov 2017</b>	<b>Lecture: Sustainability Aspects</b>	
08.30 – 09.00	Departure from the Guesthouse	
09.00 – 10.30	Agronomic aspects of the oil palm	Sudradjat
10.30 – 12.00	Environmental aspects of the oil palm	Surya D Tarigan
12.30 – 13.30	Lunch break	
13.30 – 15.30	Livelihood aspects of the oil palm	Arya H Dharmawan
15.30 – 16.00	Back to the Guesthouse	
<b>Day 3: Wednesday, 22 Nov 2017</b>	<b>Lecture: Oil Palm Plantation &amp; Productivity</b>	
09.00 – 10.30	Smallholders & corporate oil palm plantation	
10.30 – 12.30	Increasing oil palm productivity in smallholders	Nana M Arifjaya
12.30 – 13.30	Lunch break	
13.30 – 15.30	Oil palm's GAP (good agricultural practices)	Tony Liwang
15.30 – 16.00	Back to the Guesthouse	
<b>Day 4: Thursday, 23 Nov 2017</b>	<b>Lecture : Oil Palm Economics, Trade, Investment and Industry</b>	
08.30 – 09.00	Departure from the Guesthouse	
09.00 – 10.30	Lecture on oil palm investment &	Hermanto



Schedule	Programs	Remarks
	trade	Siregar
10.30 – 11.00	Break	
11.00 – 12.30	Research & innovation of oil palm products (i.e. surfactants, glycerol etc.)	Erliza Hambali
12.30– 13.30	Lunch break	
13.30 – 15.30	Dowstream oil palm industry	GAPKI
15.30 – 16.00	Back to the Guesthouse	
<b>Day 5 Friday, 24 Nov 2017</b>	<b>Lecture: Certification Systems of oil palm</b>	
08.30 – 09.00	Departure from the Guesthouse	
09.00 – 10.30	Sustainability systems of Oil palm industry (RSPO & ISPO Systems)	Odjat Sujatnika
10.30 – 10.45	Break	
10.45 – 12.15	Utilization of POME (palm oil mill effluent) and Renewable Energy	Y Aris Purwanto
12.15 - 13.30	Lunch break	
13.30. – 16.00	Visit Bogor Botanical Garden: Guided Tour & Seeing the mother trees of oil palm	OC
<b>Day 6 Saturday, 25 Nov 2017</b>	<b>Transfer to Jambi</b>	
06.00	Departure to Soetta	

### Tentative Program of Summer Course in Jambi

Schedule	Programs	Remarks
Day 0 : Sunday, 26 Nov 2017	Pick up the participants from the airport	
Day 1: Monday, 27 Nov 2017	Introduction of UNJA	University of Jambi
08.30 – 09.00	Departure from the hotel	
09.00 – 09.30	Courtesy meeting with Rector	
09.30 – 10.30	Introduction of Unja; questions and answers	Vice Rector IV
10.30 – 12.30	Visiting Campus and Unja Facilities	
12.30 – 13.30	Lunch break	
13.30 – 15.30	Visiting CRC 990 Project in UNJA, quetsions and answers	

Schedule	Programs	Remarks
15.30 – 16.00	Back to Hotel	
19.30 – 21.30	Courtesy dinner by Jambi Governor	Governor house
Day 2: Tuesday, 28 Nov 2017	Visiting PTPN VI	
08.30 – 09.00	Departure from the hotel to PTPN Office	
09.00 – 10.00	Short meeting with Management: Presentation, questions and answers	PTPN Office, Jambi
10.00 – 11.00	Departure to PTPN VI Field	
11.00 – 12.30	Field Visit	
12.30 – 13.30	Lunch break	
13.30 – 16.00	Field visit (Continued)	
16.00 – 17.00	Back to hotel	
Day 3: Wednesday, 29 Nov 2017	Practices : Weeding, Fertilizer and Harvesting	PTPN VI
08.30 – 09.30	Trip from the hotel to PTPN Field	
09.30 – 11.00	Practice : Weeding	Participants will be divided into smaller groups
11.00 – 12.30	Practice : Fertilizing	
12.30 – 13.30	Lunch break	
13.30 – 15.30	Practice : Harvesting + transporting	
15.30 -16.30	Back to hotel	
19.30 – 20.00	Trip to Durian market	
20.00 – 22.00	Durian party	
Day 4: Thursday, 30 Nov 2017	Visiting CRC Plot in PTPN VI	
08.30 – 09.30	Trip from the hotel to CRC 990 Plot in PTPN VI	
09.30 – 11.00	Management Intensity Plots: short intro, Questions and answers	
11.00 – 11.15	Trip to Tower Plots	
11.15 – 12.30	Climate tower: short intro, Questions and answers	
12.30 – 13.30	Lunch break	
13.30 – 14.00	Trip to Cattle- oil palm integration management	
14.00 – 16.00	Cattle- oil palm integration management: short intro, Questions and answers	



Schedule	Programs	Remarks
Day 5 Friday, 01 Dec 2017	Visiting oil palm managed by small holder	Mekar Jaya
08.00 – 14.00	Trip to Mekar Jaya Village, Merangin District	
11.00 – 13.00	Stop over in CRC Guesthouse in Pauh: lunch with traditional foods; Friday Pray for Moslem	
15.00 – 16.30	Mekar Jaya Village: Sightseeing	
16.30...	Free activities	Overnight in the villege
Day 6 Saturday, 02 Dec 2017	Visiting oil palm managed by small holder	Mekar Jaya
08.30 – 09.00	Walk from houses to the oil palm field	
09.00 -11.00	Meeting with local leader: Intro on the villege, questions and answers	
11.00 – 12.30	Oil palm management by local farmers including RSPO: Presentation by local farmer, questions and answers	
12.30 – 13.30	Lunch break	
13.30 – 16.00	Field visit: explanation, questions and answers	
19.30 – 21.30	Dinner with local farmers and cultural events	
Day 7 Sunday, 03 Dec 2017	Visiting SAD Village	Pematang Kabau
08.00 – 11.00	Trip to Pematang Kabau	
11.00 – 12.30	Pematang Kabau Village and SAD : intro, questions and answers	
12.30 – 13.30	Lunch break	
13.30 – 15.00	Field visits	
15.00 – 19.00	Trip back to Jambi	
Day 8 Monday, 04 Dec 2017	Visiting CRC 990 Plot	Humusindo Makmur Sejati
09.30 – 11.00	Trip to CRC 990 Plots in Pompa Air (Riparian plots)	
11.00 – 12.30	Field visit: Riparian Plots	
12.30 – 13.30	Lunch break	
13.30 – 14.30	Trip to Humusindo	
14.30 – 16.00	Field visit : B11 Plots: intro, questions and answers	
16.00	Trip back to the villege	

Schedule	Programs	Remarks
19.00	Dinner with traditional menu	Stay overnight in the Bungku village
	Free activities	
Day 9 Tuesday, 05 Dec 2017	Visiting Jambi autochthonus viillage	
08.30 – 09.00	Trip to the selected village (Bungku Village)	
09.00 -10.00	Meeting with local leader: Intro on the village, questions and answers	
10.00 – 11.30	Oil palm management by local farmers: Presentation by local farmer, questions and answers	
11.30 – 12.15	Departure to the Asiatic Persada	
12.15 – 13.15	Lunch break	
13.15 – 16.00	Field visit: explanation, questions and answers	
16.00 – 16.45	Back to Bungku Village	Stay overnight in the Bungku village
Day 10 Wednesday, 06 Dec 2017	Visiting Oil Palm Factory + Waste management	PTPN VI
08.30 – 09.30	Trip from village to palm oil Processing Factory	
09.30 – 10.30	PTPN palm oil oil Processing Factory: Intro, questions and answers	
10.30 – 12.30	Factory visits	
12.30 – 13.30	Lunch break	
13.30 – 15.30	Waste management: field visit, questions and answers	
15.30 – 18.00	Back to Jambi	
Day 11 Thursday, 07 Dec 2017	Visiting and practicing Jambi batik	Jambi Seberang
09.00 – 09.30	Trip to Seberang Kota Jambi	
09.30 – 11.00	Jambi seberang: intro, questions and answers	
11.00 -12.30	Sight seeing:	
12.30 – 13.30	Lunch break	
13.30 – 14.30	Jambi batik: Intro, questions and answers	
14.30 – 16.00	Practice : Batik	
16.00	Trip back to hotel	
Day 12 Friday 08 Dec 2017	Visiting Muaro Jambi temple	Candi Muaro Jambi

Schedule	Programs	Remarks
09.00 – 10.00	Trip to Dusun Baru village	
10.00 – 11.00	Dusun baru village : intro, questions and answers	
11.00 – 12.00	Sight seeing and cultural visit in Dusun Baru village	
12.00 – 13.30	Lunch break and Friday pray (for Moslem)	
13.30 – 14.00	Trip to Muaro Jambi Temple	
14.00 -14.30	Muaro Jambi temple : intro, questions and answers	
14.30 – 16.00	Visiting Muaro Jambi temple	
16.00	Trip back to hotel	
19.00	Courtesy dinner by Jambi Major	
Day 13 Saturday , 09 Dec 2017	Wrap up and evaluation	
10.00 – 12.00	Wrap up and evaluation Each participant present his/her impression and comment including evaluation	Hotel
12.00 – 13.00	Lunch break	
13.00 – 16.00	Jambi city tour	
16.00	Free activities	
Day 14 Sunday, 10 Dec 2017	Departure to Jakarta	