

PRESS RELEASE

SERIKAT PETANI KELAPA SAWIT (SPKS) THE UNION OF PALM OIL SMALLHOLDERS

PALM OIL FARMERS BELIEVE THAT THE EU REGULATIONS ON PRODUCTS AND COMMODITIES RELATED TO DEFORESTATION CAN BECOME AN OPPORTUNITY AND CAN CONTRIBUTE BENEFITS FOR PALM OIL FARMERS IN INDONESIA

Jakarta, September 19th 2022, The European Union (EU) regulation on products and commodities related to deforestation on September 13th, has been <u>voted</u> by the European Union Parliament. This regulation shows that the European community is concerned about actions that ensure they are not contributing to forest destruction and human rights violation in other parts of the world. This new regulation applies not only to supplier countries outside the EU but also within the European Union.

The Union of Palm Oil Smallholders (SPKS) welcomes the vote from parliament. SPKS believes that this could be a great opportunity for millions of Indonesian palm oil farmers to benefit from the EU market by providing deforestation-free and traceable palm oil products, especially those managed by palm oil smallholders. SPKS also supports the leadership by the EU Parliament and the European Community as an example of taking responsibility for deforestation and forest degradation caused by products and commodities imported and produced in the EU.

Secretary General of SPKS, Mansuetus Darto stated that first, he was pleased that the EU has taken the SPKS's <u>submission</u> to the EU into account in the finalization of the regulation. Second, Darto said that to take advantage of the momentum and to gain benefits from this regulation, Indonesian palm oil farmers need the support and assistance from the EU governments and parliament, the Indonesian government, companies, and palm oil buyers, in a shared effort to meet the requirements such as implementing full traceability and ensuring no-deforestation practice. Palm oil farmers who are members of SPKS have succeeded in developing traceability data including name, address, and spatial data. This is in line with the Ministry of Agriculture's ongoing project to build a database of palm oil farmers through the STDB (Cultivation Registration Certificate) policy. SPKS is also an active member of the <u>High Carbon Stock Approach</u>, a global multistakeholder initiative to implement no-deforestation in the tropics.

Mansuetus Darto hopes that this regulation from the European Union will ensure the long-term sustainability of Indonesian palm oil smallholders' livelihood by providing incentives to farmers, including for forest conservation, transparency on traceability, and best practices. It is time to ensure smallholders' fair partnership with the EU market. SPKS asks the EU governments to call for importing companies to trace and ensure at least 30% of their palm oil supply originates from independent smallholders.

SPKS also hopes that the issue of palm oil smallholders will no longer be used and politicized for the interest and benefit of large corporations, many of whom are still closely linked to illegal practices. Defensive and delay tactics are often carried out to protect and maintain certain interests. This

practice of trade lobbying by the industry is often against the interests of small farmers having equal access to the market. With the right support, we believe that the EU regulation on traceability and deforestation will contribute to the improvement of independent palm oil governance in Indonesia.

About SPKS:

SPKS is an oil palm farmer organization founded in 2006 with a total membership of more than 70,000 independent smallholders currently spread across 17 regencies and 8 provinces in Indonesia, including in Labura Region, Rokan Hulu, Siak, Pelalawan, Kuansing, Tanjabar, Sanggau, Sekadau, Sintang, Paser, Kobar, and Seruyan, Muba, Pasangkayu, Mamuju, Central Mamuju. SPKS was established with the main vision of helping small farmers to be independent, prosperous, and sustainable. The overall purpose of SPKS is to cooperate and support its members to strengthen the sustainability foundation of their operations, to enhance the welfare and independence of smallholders while implementing responsible practices, including a no-deforestation approach through capacity and institutional building, as well as access to financial support, policy and decision makers and global market.

Jakarta, September 19th,2022 Serikat Petani Kelapa Sawit (SPKS)

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