The replanting problems of plasma estates in the indonesian state-owned oil palm estate: a case in sanggau regency, west kalimantan province

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Abstrak

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Around 1980 the Indonesian government launched a program of oil palm plantation development led by state owned plantation enterprises with some project finance. The program was named Nucleus Estates and Smallholders (NES) Projects and was funded by the World Bank and Asian Development Bank. In the early 1980s some state-owned enterprises constructed several oil palm estates in West Kalimantan Province under the NES scheme, almost all of which were located in Sanggau Regency. These estates are currently facing replanting problems, since the oil palm trees there are 25 to 30 years old and inevitably less productive. In the estates owned by smallholders, plasma farmers who have their estates near the nucleus estates owned by plantation companies, the replanting problems are more serious than company owned plantations because of smallholders difficulty with financing.

In this paper, the author aims to introduce the results of field research regarding the replanting problems on plasma estates owned by smallholders by focusing on one stateowned oil palm estate in Sanggau Regency. For some years after 2007, the Revitalization Program of Estates was implemented in those estates. The program aimed to subsidize a part of the interest imposed on plasma farmers on loans for the revitalization of their old or damaged estates. The implementation of the program, however, was not smooth. The program was not a success because of the inefficiency of the so called United Management System as a way to manage plasma smallholders estates after replanting, and because the loan program for replanting did not take account of the estate owners financial capacity. Alternatives to the Revitalization Program would be possible if those factors were improved.