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SOBRE PALMA DE ACEITE**
21th International Oil Palm Conference

Transforming Smallholders' Well-being Through Effective Farm Management

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Malaysian Palm Oil Board (MPOB)



fedepalma



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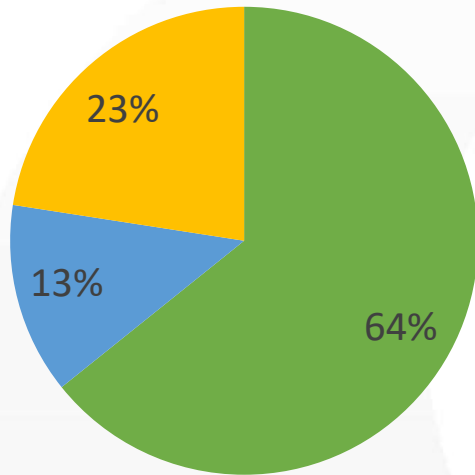
INDEPENDENT SMALLHOLDERS IN MALAYSIA



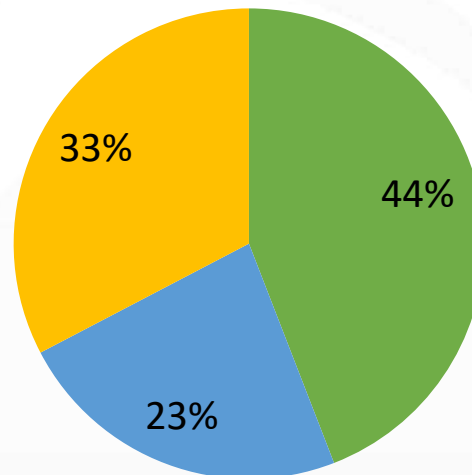
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Number of ISH



Area (Ha)



■ Peninsular Malaysia ■ Sabah ■ Sarawak ■ Malaysia

6.39

5.26

3.63

2.49

Average Area (Ha/ISH)

As of August 2025

Source: MPOB

RM7,596

USD1747

RM6,043

USD1390

RM5,628

USD1294

RM4,494

USD1034

Revenue

■ Peninsular Malaysia ■ Sabah ■ Sarawak ■ Malaysia

Note: Based on estates' FFB yield, FFB price & OER for Aug 2025 and average ISH oil palm area (ha).
1RM=0.23USD

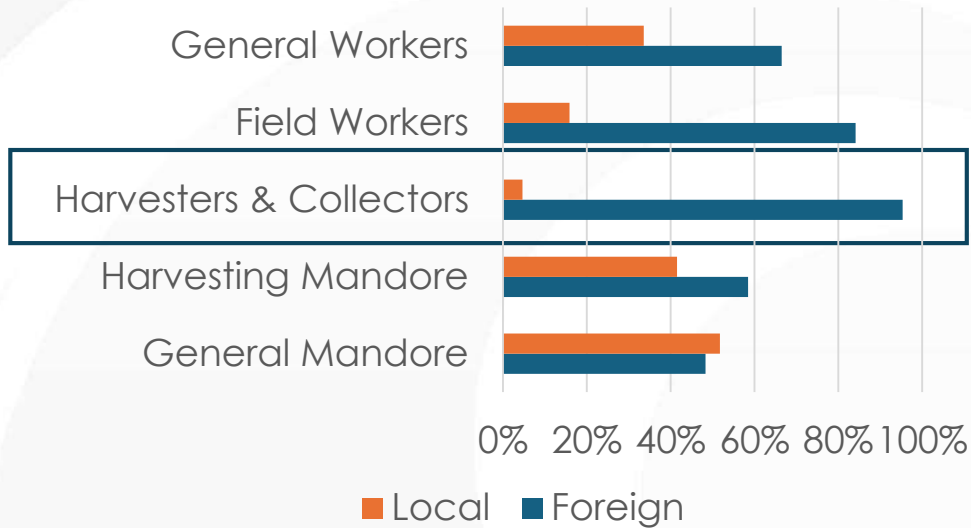
Smallholder's revenue are expected to be lower than estates due to low productivity

ISSUES WITH INDEPENDENT SMALLHOLDERS

- Small-scale production entity.
- Manage the holding themselves or employ workers with limited to no access to millers.
- Usually entirely dependent on fruit dealer besides have little to no support in terms of seeds, fertilizers and manpower.
- Associated with lack of knowledge on maintaining their farms.
- Perceived as inefficient and unproductive as compared to the large-scale production system of the plantation.
- Poor farm management.
- Suffer low yields.

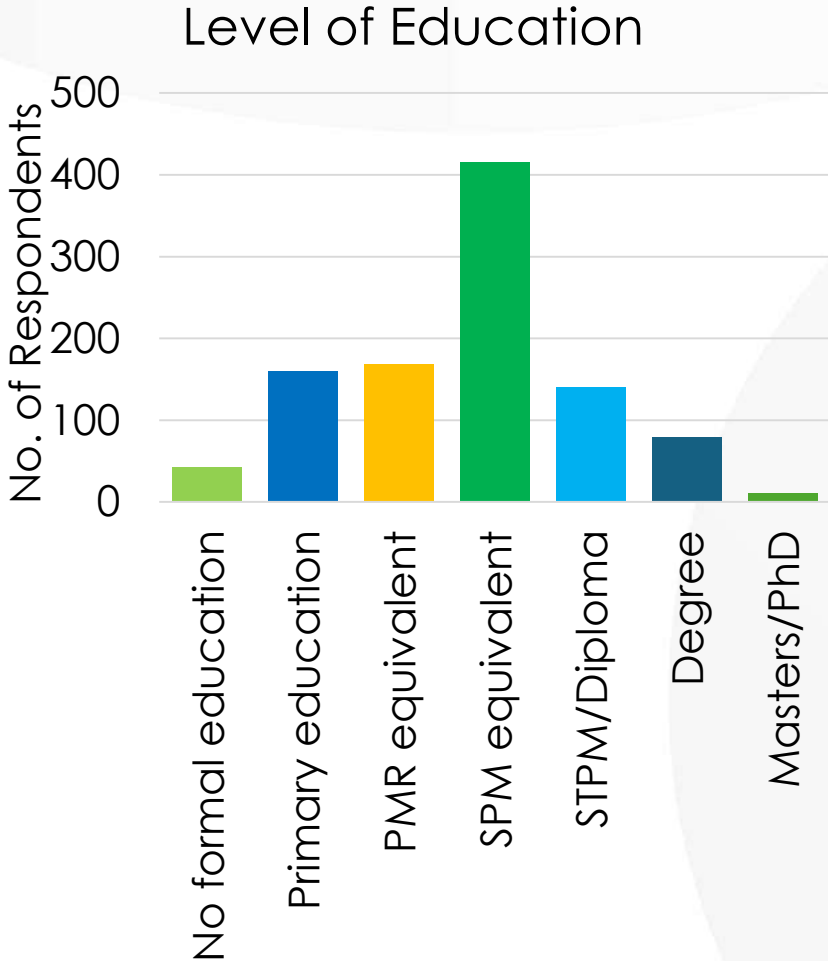
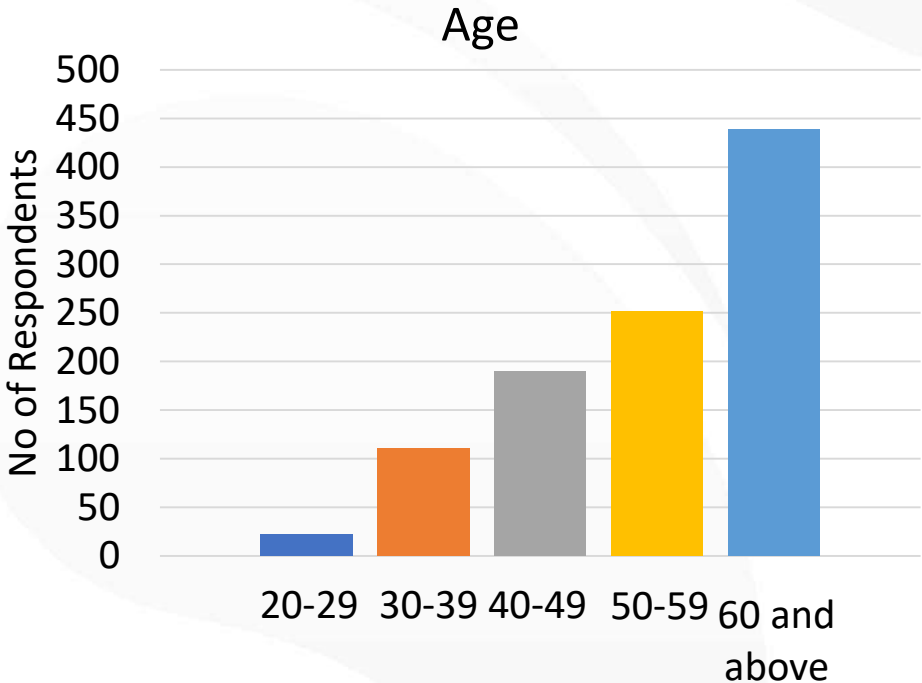
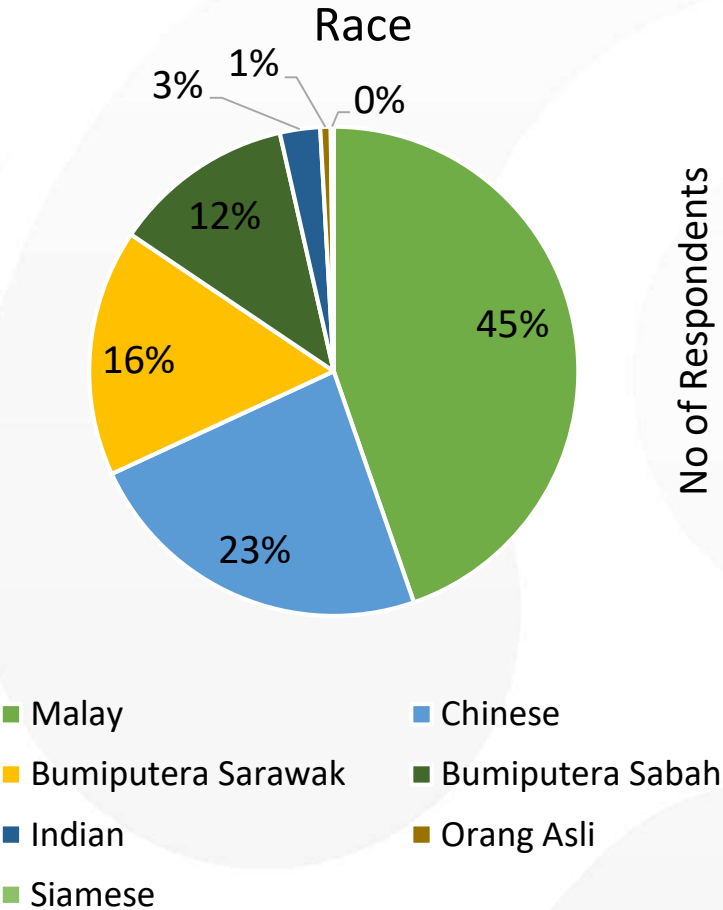


LABOUR SHORTAGE



- OP sector is a labour-intensive in nature.
- About 76% of the total workers in OP plantation sector are foreigners.
- Key job category – harvesters and fruit collectors dominated by foreigners.
- The supply disruption of these workers significantly affect production.
- Labour supply in 2024 improved 2.3% overall, with a 3.3% rise in harvesters/collectors and an 11.8% reduction in shortages.
- Despite improvements (due to special exemption for the plantation sector), the foreign worker freeze continues, keeping the labour situation tight.

SMALLHOLDER'S PROFILE



Based on survey on 1016 ISH from 162 SPOCs

SMALLHOLDER'S FARM MANAGEMENT PROFILE



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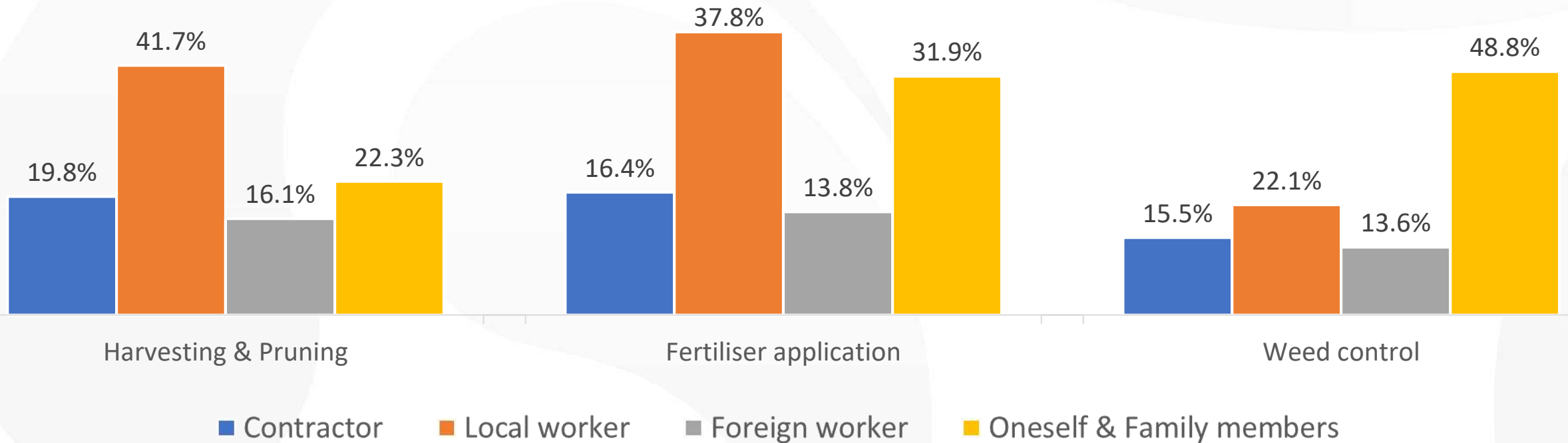
Harvesting	Pruning	Fertilising	Weeding	Frequency	Percentage (%)
Self	Self	Self	Self	255	25.1
			Hired	5	0.5
		Hired	Self	2	0.2
			Hired	1	0.1
	Hired	Self	Self	2	0.2
			Hired	2	0.2
		Hired	Self	0	0.0
			Hired	1	0.1
Hired	Self	Self	Self	29	2.9
			Hired	7	0.7
		Hired	Self	2	0.2
			Hired	4	0.4
	Hired	Self	Self	206	20.3
			Hired	96	9.4
		Hired	Self	47	4.6
			Hired	357	35.1

Based on survey on 1016 ISH from 162 SPOCs

SOURCE OF LABOUR



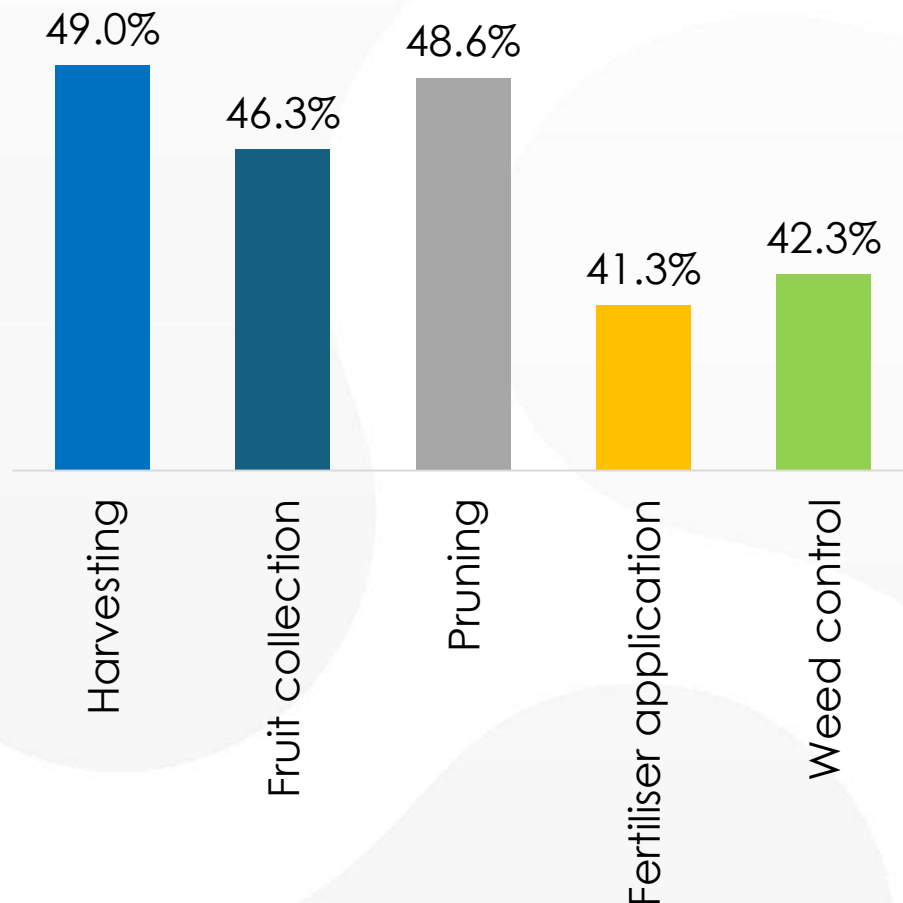
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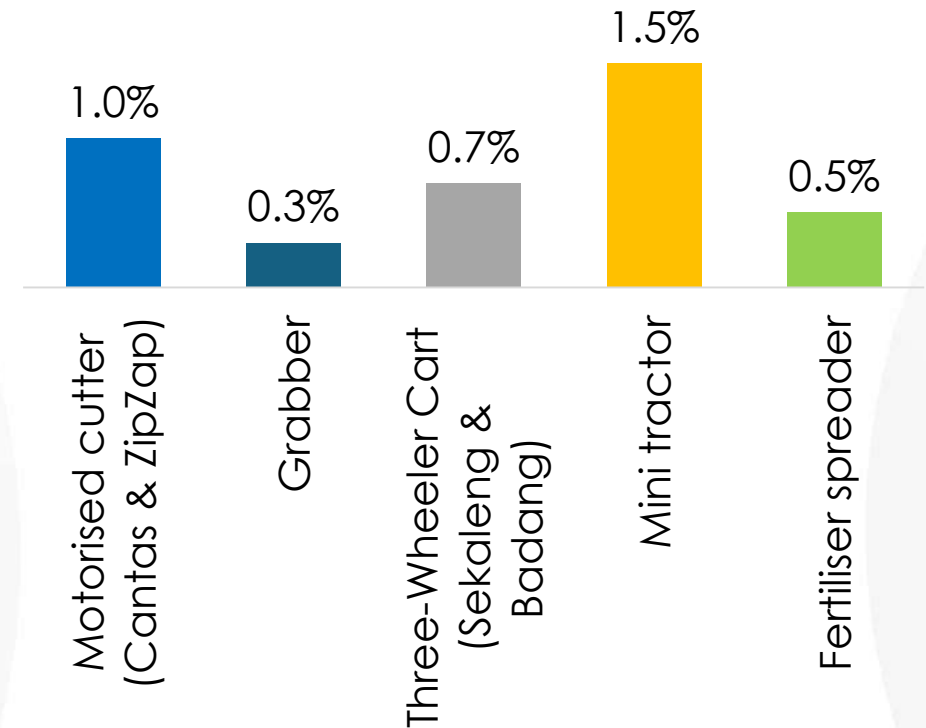
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ISSUES FACED BY THE SMALLHOLDERS

Difficulty in finding Workers



Adoption of Mechanization

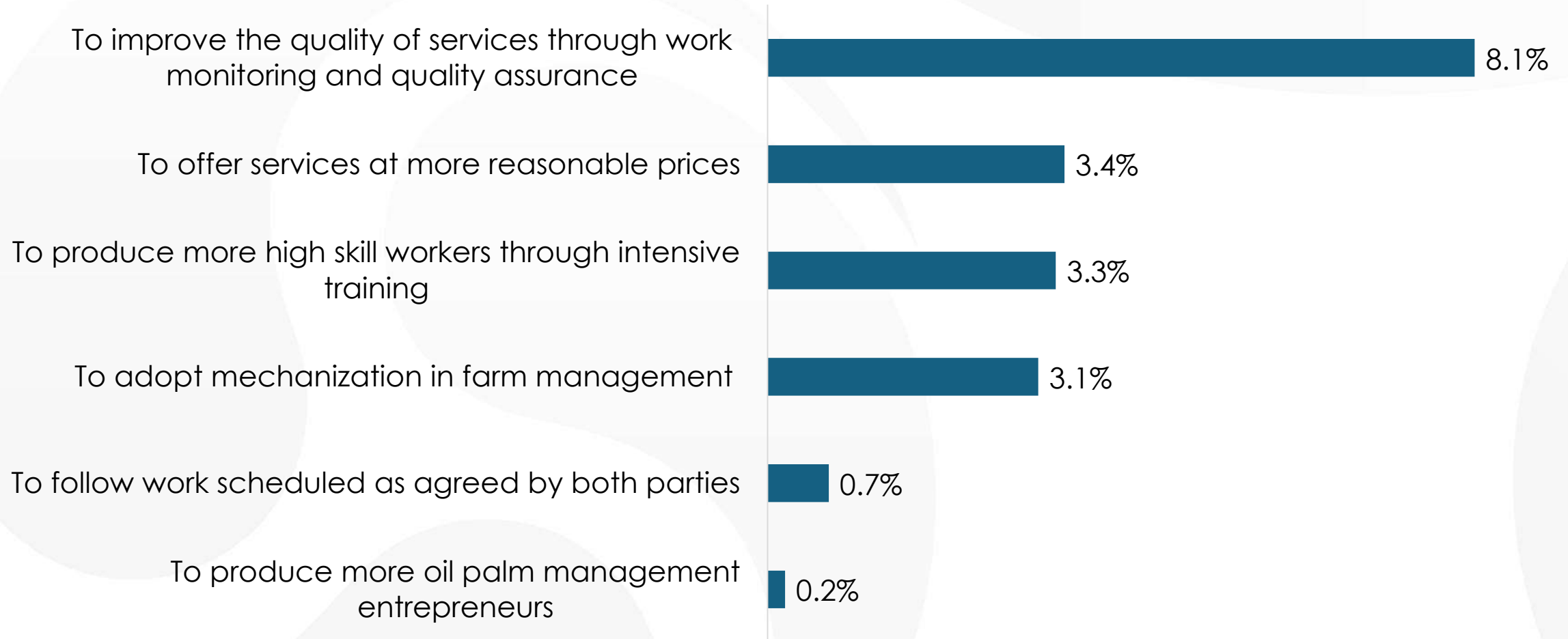


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AREA OF IMPROVEMENT



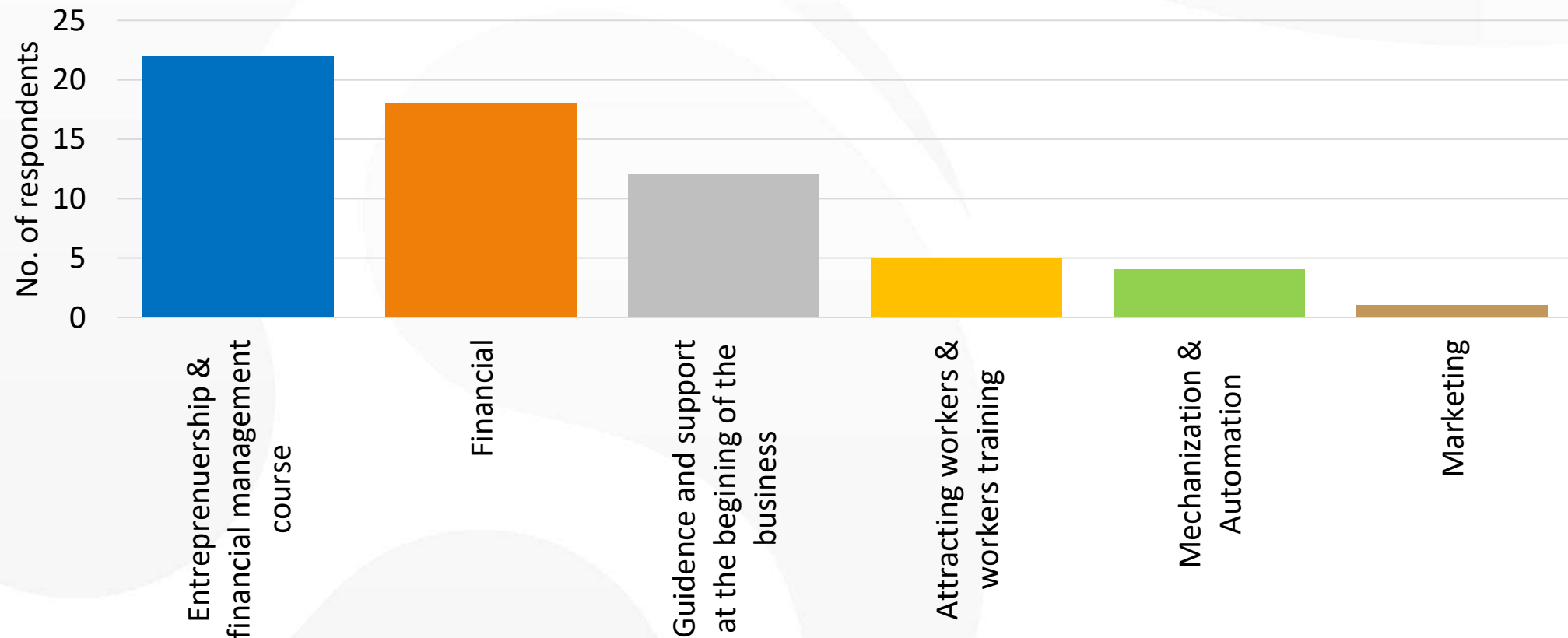
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INCENTIVES AND SUPPORTS NEEDED TO BECOME OIL PALM ENTREPRENEURS



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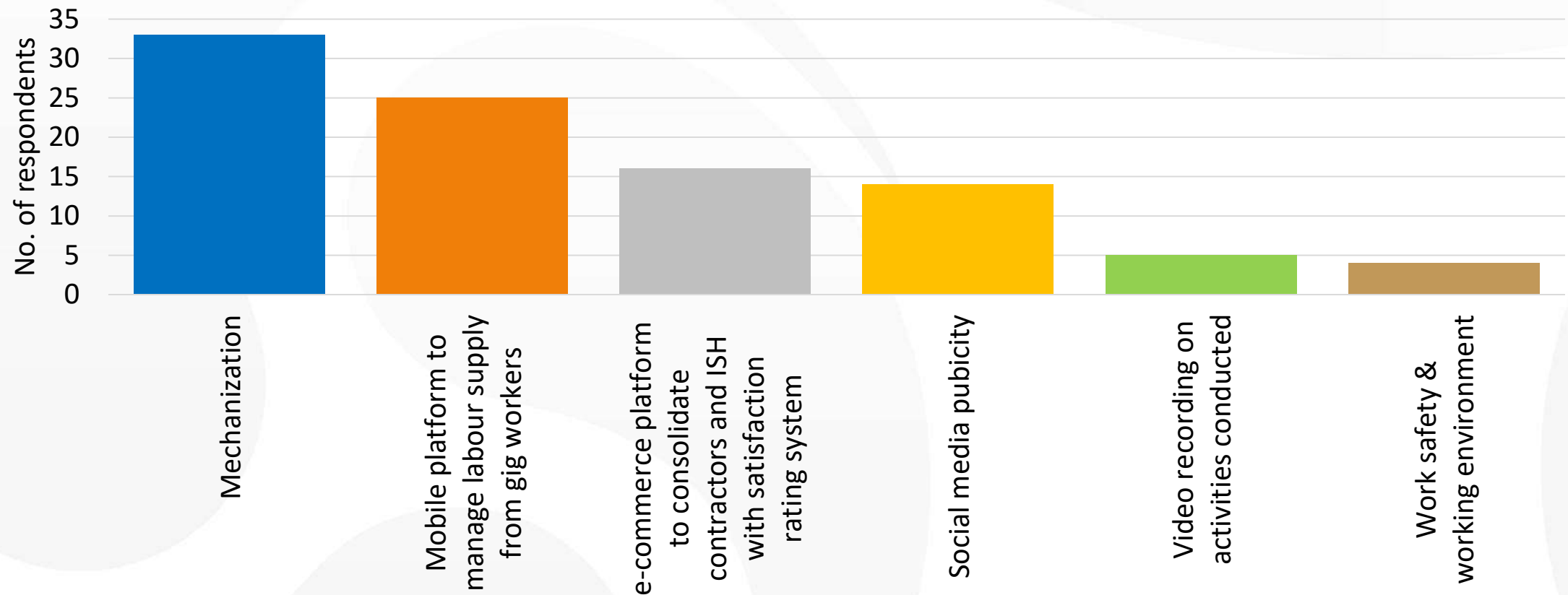


Based on 60 Respondents - 39 students & 21 ex-students of Farm Mechanization Operators Course (KOML)

IMPROVEMENTS TOWARDS EFFECTIVE PALM MANAGEMENT



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EXISTING INITIATIVES

- Malaysian Palm Oil Board (MPOB): Provides technical and advisory services through its Smallholder Empowerment Unit and promotes cooperatives (KPSM) to pool resources and improve market position.
- FELDA: Offers comprehensive support to its settlers, including high quality planting materials, ensuring fair prices.
- MSPO Certification: The government subsidizes the certification process, which helps smallholders meet domestic and international standards, enhancing their reputation and market access.
- FGV: Established Young Entrepreneurship Program and the Vendor Development Program to train local entrepreneurs in critical business management skills and sustainable plantation practices



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CONCLUSION



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- Promoting local entrepreneurs to become professional farm managers is a viable and well-received idea.
- The primary operational gap is the low adoption of mechanization and high reliance on third-party labor.
- By providing targeted support like business training, financial assistance, and digital platforms, we can foster a new generation of skilled entrepreneurs.
- This transformation, through a collaborative effort, will boost productivity, modernize farm management, and create a more prosperous and sustainable future for independent smallholders.





See you at

PIPOC

MPOB INTERNATIONAL PALM OIL CONGRESS AND EXHIBITION

2025

REGISTRATION
IS OPEN NOW



18 - 20 NOVEMBER
KUALA LUMPUR CONVENTION CENTRE



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MUCHAS GRACIAS



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