



BEIERSDORF
SUPPORTS WWF'S
SMALLHOLDER
PROJECT IN
INDONESIA

Beiersdorf

Project Progress Report 2025

Empowering Independent Smallholders in West Kalimantan

A Collaborative Journey Towards Sustainable Palm Oil

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INTRODUCTION

In 2022, Beiersdorf and WWF Indonesia renewed their commitment to support independent palm oil smallholders in Kapuas Hulu, West Kalimantan. This initiative, focusing on the villages of Sungai Sena, Seberu, and Pala Kota, entered its second phase with the inclusion of Beiersdorf's supplier Evonik. Until August 2025, the project aims

- to certify 200 smallholders under the Roundtable on Sustainable Palm Oil (RSPO) standards and expand the membership of the independent smallholder Association Mitra Bersama (AMB), to 300 members;
- to establish a direct partnership between these farmers and a palm oil mill to secure fair and sustainable market access.

BACKGROUND

At the heart of this initiative is WWF Indonesia, which plays a critical role in promoting the principles of a green economy in Kapuas Hulu Regency and supporting smallholders in building sustainable governance structures and aligning with RSPO standards. WWF's efforts include supporting the use of RPSO Principles and Criteria (P&C) and the Integrated Certification System (ICS), identifying field-level challenges such as land disputes and environmental degradation. By facilitating collaboration among stakeholders, farmers, the Kapuas Hulu Regency Government, a local mill, and the local communities, WWF demonstrates that responsible palm oil production is only possible through joint commitment.

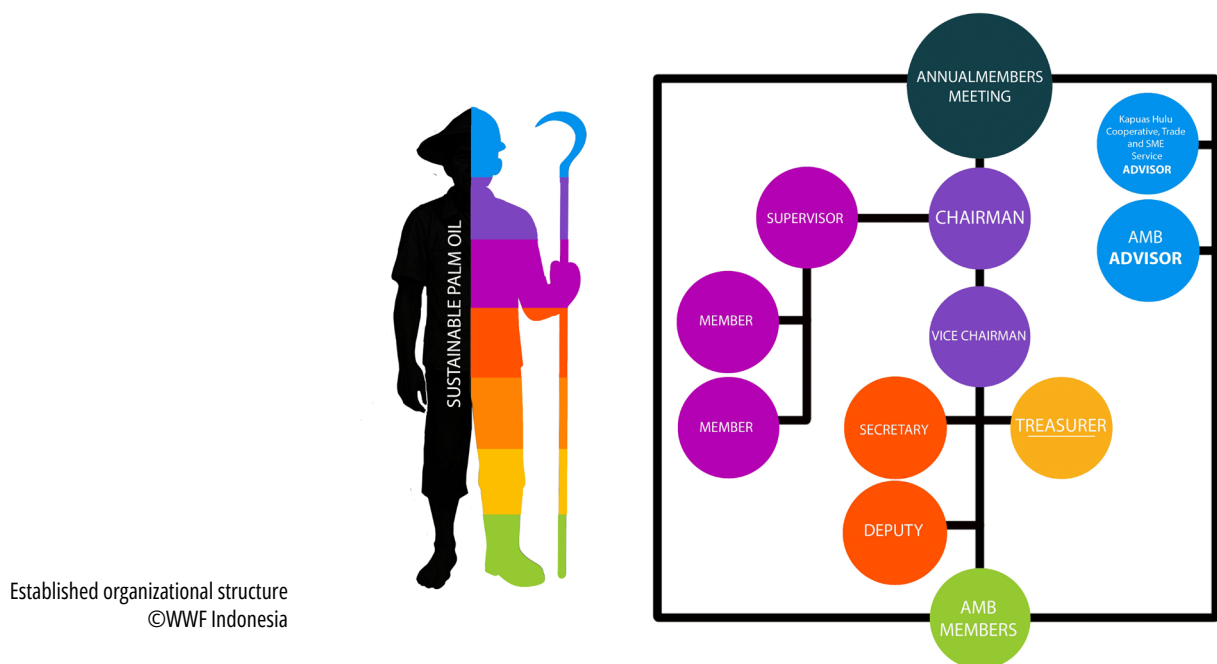


An AMB smallholder farmer detaches the frond from an oil palm tree.
© WWF Indonesia

FORMATION OF USAHA MILIK BERSAMA (UMB) COOPERATIVE

To strengthen the farmers' bargaining power and improve their access to markets and financing, the formation of a cooperative was a pivotal step. In January 2023, a consensus was reached among local stakeholders to establish a cooperative as the business arm of AMB. By July, this legal entity Usaha Milik Bersama (UMB) was officially registered, complete with elected administrators and a formal organizational structure.

ORGANIZATIONAL STRUCTURE USAHA MILIK BERSAMA COOPERATIVE



CAPACITY BUILDING OF UMB COOPERATIVE MANAGEMENT

Between May and August 2024, a series of capacity-building programs were delivered to UMB's cooperative administrators and AMB members. Training sessions covered business planning, the Book and Claim system for RSPO credits, and peer learning with other cooperatives. These sessions equipped participants with essential business skills, including market and SWOT analysis, service strategies, and risk management. Financial and bookkeeping training enhanced administrators' abilities to manage the sale of Fresh Fruit Bunches (FFB) and revolving fertilizer funds. Taxation training, held in collaboration with the Sintang Tax Office, introduced digital tax applications and legal obligations tied to cooperative income and certification schemes.



Business planning training (top)
and taxation training (bottom)
©WWF Indonesia

RSPO CREDIT SALES

Selling RSPO credits gives AMB's independent smallholders the opportunity to earn extra income without physically selling palm oil. By connecting with global buyers, farmers receive incentives for sustainable practices and save on logistics. In 2023, AMB farmers sold 3,080 metric tons of RSPO-certified FFB to companies like Beiersdorf, generating approximately IDR 260 million (EUR 14,000) in additional income. This achievement marked a significant milestone, yet the system still faces obstacles: small credit scores, price volatility, and unsold credits despite growing certification numbers.

“I am grateful for this assistance, which has enabled us to obtain RSPO certification. As a result, we are now able to sell FFB both physically to the mill and non-physically through RSPO credits.”

AMB Treasurer

COMPILING COOPERATIVE FFB PRODUCTION DATA

To support transparent operations and enhance a partnership with a mill, monthly FFB production and fertilizer record forms were introduced. This data collection exercise, starting in early 2024, helped build a partnership with a mill and supported farmers in complying with sustainability standards like RSPO. In March, discussions, also with local government officials, aimed at strengthening the cooperative's systems and preparing it for the formal partnerships with a mill.

CONDUCTING PERIODIC MONITORING AND EVALUATION

to Transparently Measure Cooperative Performance and Improve Service

Monitoring and evaluation activities began in April 2024 to assess field performance and ensure compliance with the RSPO standard. These included field visits to verify pruning practices, boundary markings, and documentation of pesticide and herbicide use. Challenges such as inconsistent recordkeeping due to overlapping rice harvests were addressed through the introduction of log-books and targeted training for 15 selected farmers. In subsequent monitoring phases, training on ICS, new member verification, and garden assessments continued. Discussions with mill representatives led to fairer pricing despite low yields.

UMB COOPERATIVE PARTNERSHIP WITH A MILL

For farmers, partnering with a mill brings a range of benefits, including guaranteed market access, stable and competitive FFB prices, technical support and access to production facilities, a reliable payment system, and the opportunity to achieve better prices that contribute to long-term well-being. At the same time, the mill benefits from a stable and high-quality supply of FFB from oil palm farmer cooperatives.

“We are able to sell directly to a company without intermediaries. Partnering with them allows us to gain remarkable profits through higher prices.”

UMB cooperative

A major achievement of the project was the successful formation of a partnership between UMB and the palm oil mill PT RAP. After a series of socialization activities and after completing and submitting all partnership requirements between October 2022 and November 2024, supported by local and provincial governments, a formal Cooperation Agreement was signed in February 2025.



Socialization activity of the partnership © WWF Indonesia



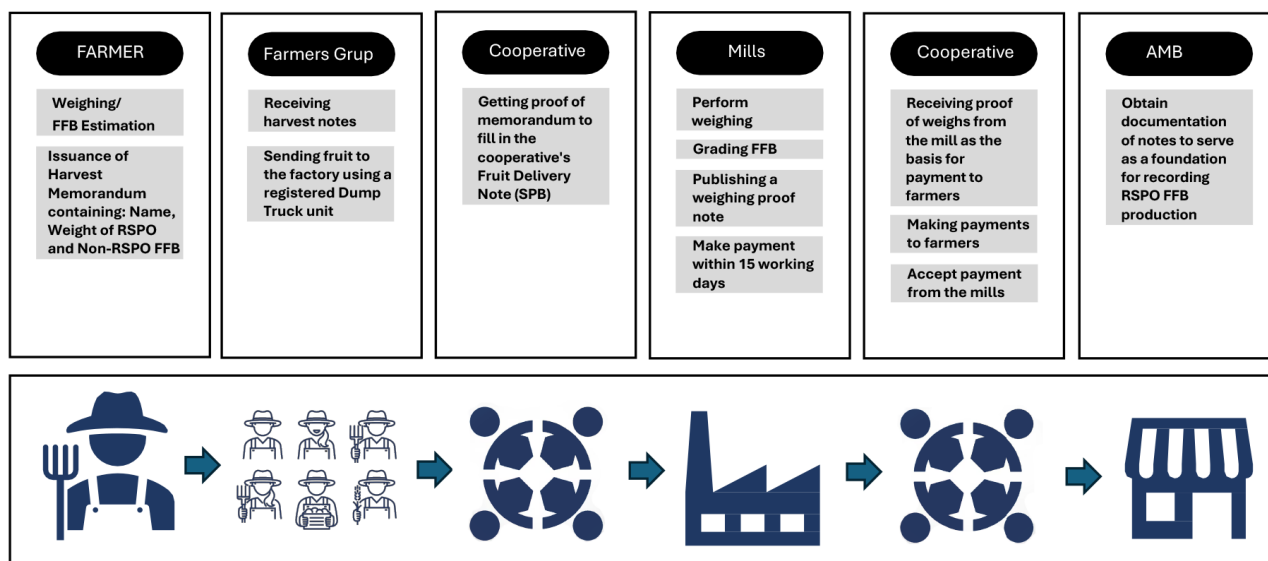
Preparation of the agreement in the field (top) and at the desk (bottom) © WWF Indonesia

The agreement outlined transparent pricing based on market values, quality standards for FFB, clear contractual obligations, and a dispute resolution mechanism. This marked the beginning of a direct and mutually beneficial supply relationship. The first official delivery of FFB to PT RAP occurred shortly thereafter.

Signing of the Cooperation Agreement (top) and Business Modell of FFB Sales (bottom)
© WWF Indonesia



BUSINESS MODEL DIAGRAM FFB SALES



MONITORING OF THE COOPERATION AGREEMENT

The monitoring of this Cooperation Agreement began immediately. The focus was on maintaining fruit quality, especially proper ripeness, to avoid deductions in mill pricing due to poor grading. The monitoring team and the person in charge of each farmer group played key roles in overseeing deliveries, ensuring that payments and logistics were handled transparently and efficiently. The partnership has not only improved farmer income but also deepened their understanding of compliance, documentation, and contractual responsibility.

“The yield from my oil palm plantation has improved compared to before, all thanks to the training provided by AMB and the support from the facilitators. As a result, my plantation now produces better outcomes than it did previously,”

AMB member

BENEFITS OF KNOWLEDGE TO IMPROVE WELFARE

A series of the above-mentioned activities have had a significant impact on the AMB independent oil palm farmers. WWF Indonesia served as a scientific bridge, helping them to improve their livelihoods, strengthen community bonds, and adopt eco-friendly practices such as sustainable farming, reduced chemical use, better waste management, and nature conservation. These changes reflect a strong commitment to the project’s goals.

The local economy is gradually improving, farmers are more connected, and environmental awareness is increasing. Before WWF’s involvement, most farmers operated with limited financial resources and fragmented land, with little access to scientific knowledge or markets. WWF Indonesia, in collaboration with Beiersdorf and Evonik, changed this, bringing isolated farmers together, reducing their reliance on intermediaries, and facilitating a direct connection to a mill.

One of the most significant outcomes has been the establishment of the cooperative, which now provides farmers with legal access to markets. With quality control mechanisms in place, AMB farmers can now manage their plantations with confidence, generating stable income while protecting the environment.

“With the support provided, we at AMB no longer engage in forest clearing and there is no river pollution, as pesticide use is now well controlled.”

AMB member



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