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Sustainability Stories of the Lives We Touched

Prospering Through Partnership

Kelompok Tani Sumber Rejeki
Nanga Tayap, Ketapang



Ginanto & Sumarto



Harvesting Sumber Rejeki's FFB

Established in December 2021, Sumber Rejeki Farmers' Collective recently signed up a partnership agreement with Bumitama related to fresh fruit bunches (FFB) supply and support in sustainability and administrative training on the road to RSPO Certification.

Sumarto, the head of the collective, and Ginanto, the secretary, sit with us at Ginanto's own open-air eatery. On its large front yard are parked a row of FFB-collecting trucks. Here, villagers gather to trade the latest gossip, and plantation workers check in with their FFB haulage before delivering it to the mills.

What did you have in mind when you decided to form this collective?

Sumarto : Most oil palm growers here are seasoned ones. But our plots are relatively small. Doing everything on our own is costlier than if we join forces. This is especially true for securing and transporting fertilisers. The more we order, the cheaper they get. The transportation cost is lower, too.

Tell us more about your collective's operational scale

Ginanto : We are a young collective, but very active. Our 25 members have around 190 hectares of planted area altogether, and on average we could amass up to 240 tonnes of FFB per month from our own plantations. And since as a collective we have stronger legal standing than an individual smallholder, we can strike better deals with suppliers and offtakers of our FFB, while on the other hand we can help our members to improve their agronomy practices to produce higher yields.



Members of Sumber Rejeki



You just struck such a deal with Bumitama. What was your reason for choosing Bumitama?

Ginanto : I can think of a few. Firstly, since Bumitama's mill is the closest to us, many of us here are familiar with the company and their operational management. We maintain good communication with them. Though we don't always agree on the FFB price, Bumitama's calculation scheme has always been the fairest among all other mills.

We are optimistic that the partnership can provide us with steady off-take transactions on all of our fruits, while once certified under the RSPO smallholder scheme, we should be receiving extra revenue from the credit premiums.



Ginanto discussing with Gabriel (Bumitama's CSR Specialist)



How does this deal benefit the collective?

Ginanto : We are starting to see the benefits of Bumitama's IGA Sawit [Oil Palm Income Generating Activities] programme. I would highlight the fact that Bumitama also provides us with organic fertiliser from the composted empty fruit bunch remains from the FFB we sold after being processed at their mill. We haul them out with our trucks, and distribute them among us. It's a helpful arrangement for us, and we are yet to tap it optimally. Then there are regular training sessions in addition to various other support that help us obtain RSPO certification.

Sumarto : Yes. I think that's the essence of our partnership with Bumitama.

Since the beginning we engage in mutual beneficial relationship by trusting each other, and bringing value to each other.

With this partnership, what hope do you and your fellow farmers have for the future?

Ginanto : Before we talk about hope, let's talk about the biggest issue facing us farmers today. Fertilisers. We don't have enough of them. Their prices keep on rising, while FFB prices fluctuate. Luckily we get to replace a portion of it with the compost from our fruits.

Sumarto : Here's what often happens: We have the money, but there are no fertilisers in the market. Then, when they are available, we wouldn't have the money ready. It goes on and on like this, a vicious cycle. Delayed fertiliser application hurts yield. As farmers, we are very conservative: we don't want to incur debt to run our operations. So I hope in the future, as our cooperation strengthens and improves its practices, Bumitama can help us to secure a steady access to fertilisers, which we can pay for in installments. That would mean a lot to us. More importantly, by joining RSPO certification programme from Bumitama, we hope in the future our plantations would have a higher yield, after applying good agricultural practices that we get from the training sessions.