



# DUTA PALMA'S FILTHY SUPPLY CHAIN

## A CASE STUDY OF A PALM OIL SUPPLIER IN INDONESIA

**BENGKAYANG, INDONESIA** - A single, yellowed light bulb, powered by a diesel generator, casts a faint glow on a young couple as they are married in front of the community of Semunying Jaya. A shaman uses an eagle feather to dab chicken blood on the wrists of the couple, then on every villager, binding this community together in support of this new family.

As the shaman weaves through the crowd with his eagle feather, the village chief, Pak Momonus, reminds his community of hunters, forest gatherers and farmers that their *Hutan Adat*, or sacred forest, is the source of everything that makes them Dayak, the group of native peoples that are Indigenous to the island of Borneo. Then, his voice breaking, he tells his community to not give up hope, to continue fighting "This is a forced system!" Pak Momonus declares. "The boss of PT Ledo Lestari surely has a heart of plastic, not a living heart like ours. That is why he can treat us and our forest this way!"

A generation ago, when the elders of Semunying Jaya lived a nomadic lifestyle in Borneo's towering lowlands rainforests, this marriage ritual promised stability. Now, with the arrival of oil palm, this couple's future is far from certain.

Duta Palma Nusantara, which owns at least 200,000 hectares of land in Indonesia and is one of the country's top ten oil palm producers, is clearing and burning the rich rainforests surrounding Semunying Jaya at the oil palm plantation PT Ledo Lestari, destroying an ecosystem of global importance and threatening this community's very survival.

Before Duta Palma began clearing, the rainforest here supported one of the richest collections of biodiversity on earth.<sup>1</sup> The center of Semunying Jaya's forest was a watershed that fed the Semunying River and provided habitat to the endangered Bornean orangutan, Asia's great ape facing extinction within the next twenty years.<sup>2</sup>

In 2005, Duta Palma unloaded bulldozers and excavators on the banks of the Kumba River next to Semunying Jaya. "They told us they were here to build us a road," Pak Jamaludin, the most outspoken of the villagers in Semunying Jaya, tells me. "But then they started clearing our forest." Unknown to the community, the regional government had given Duta Palma a 20,000 hectare land concession directly on top of all 18,000 hectares of Semunying Jaya's sacred forest.



PAK JAMALUDIN, A LEADER OF HIS COMMUNITY OF SEMUNYING JAYA, HAS TRAVELED AS FAR AS JAKARTA TO INDONESIA'S HUMAN RIGHTS COMMISSION TO PROTEST DUTA PALMA'S DESTRUCTION OF HIS COMMUNITY'S FORESTS.

Just minutes outside of the village, massive tree trunks lay scattered across the barren landscape, red clay roads dividing the palm plantation in orderly grids. Each hectare of this rotting rainforest releases 500 to 900 tonnes of CO<sub>2</sub>, making Indonesia the world's third largest emitter of climate-changing greenhouse gasses.<sup>3</sup>

Although they have inhabited this area for generations, the villagers of Semunying Jaya, isolated from urban centers and government offices, hold no formal land titles. Their claim to the rainforests around them is based in their multi-generational history of inhabiting this region. These customary land rights, as they are known, have support from a large body of international law, most notably the U.N. Convention on the Elimination of Racial Discrimination, a treaty both Indonesia and the U.S. have ratified. Pak Momonus echoes the thoughts of many Indigenous peoples throughout the tropics: "Why do we need a land permit letter? This is my people's land, and we have our own traditions."

Semunying Jaya is just 3 miles from the 1,000 mile border that divides Indonesian Kalimantan from Malaysia; these borderlands have been targeted for palm oil development by companies eager to open up the vast jungles of the region, leading to large scale destruction and social conflict. In March 2009, the U.N. High Commissioner for Human Rights voiced concern that, "Oil palm plantations continue to be developed on Indigenous peoples' lands in the Kalimantan border region ..." and requested actors in the region to, "secure the possession and ownership rights of local communities before proceeding further."<sup>4</sup>



IBU MAGUP WEAVES A TRADITIONAL BASKET FROM THE JUNGLE VINE ROTAN. AS HER COMMUNITY'S FOREST HAS BEEN LEVELLED, ROTAN HAS BECOME SCARCE.

But the High Commissioner is still waiting for a response to his concerns, and less than a mile from the center of Semunying Jaya, PT Ledo Lestari continues to chop away at the community's remaining rainforest, and in the process is destroying villagers' livelihoods.

"Before oil palm came we could earn two hundred, three hundred dollars a month; now it is hard to earn even a dollar a day." Pak Jamaludin tells me as we look out over PT Ledo Lestari, a view of flattened forest stretching to the horizon. "The forest provided us with many ways to earn money: fish, honey, saps, resins, oils, game, Rattan vines. Now, there is no more land, all of our rice paddies, our fruit orchards, everything our grandparents left us is gone."

There are just 8,000 hectares of rainforest remaining on PT Ledo Lestari's concession. Foreboding clouds of black smoke hang over Semunying Jaya, reminding the villagers that the clearing continues. After the chainsaws and bulldozers, Duta Palma laborers pour diesel fuel over the felled forest and set it ablaze, lighting fires that smolder for days. It is illegal to set fires in palm plantations in Indonesia, and the practice is strictly banned by the Round Table on Sustainable Palm Oil (RSPO), of which Duta Palma is a member.

Incredibly, Duta Palma began operations at PT Ledo Lestari without all four of Indonesia's key land use and land use change permits: the IPK (for land clearing), the PHK (for forest use), the AMDAL (an environmental impact statement), and an HGU (the palm plantation operation license).<sup>5</sup> Many locals in Semunying Jaya believe it is the Indonesian Military's thirty percent ownership of Duta



FIRES SET BY DUTA PALMA WORKERS RAGE ON THE LEDO LESTARI OIL PALM PLANTATION. USING FIRE TO CLEAR RAINFOREST IS ILLEGAL UNDER INDONESIAN LAW.

Palma that allows them to operate with such impunity.

Duta Palma has been a member of the RSPO since 2007. With their membership, Duta Palma has made a commitment to uphold strict corporate social responsibility policies, including protecting primary rainforests and fairly compensating local communities for their communal lands. In a complaint filed with the RSPO in July of 2009, a broad network of Indonesian NGOs presented the case that Duta Palma routinely violates RSPO membership criteria and has made no efforts at cleaning up their operations during their two years of RSPO membership.<sup>6</sup> Four months later, the RSPO has still not responded.

With observers on the ground stretched thin, it is unknown how many more of Duta Palma's operations engage in the same illegal and destructive practices as those at PT Ledo Lestari. But this is not an isolated case; similarly illegal and unethical practices were documented at Duta Palm operations in Sumatra in 2007.<sup>7</sup> It is clear that as Indonesia pushes to double their palm oil output by 2020 many more forests and communities will be destroyed unless producers like Duta Palma are brought under the rule of law.<sup>8</sup> Meanwhile, in the U.S., palm oil continues to find its way into consumer products such as snack foods, cosmetics, detergents and increasingly, biofuels.

In this world dominated by corporate ownership, the oath of support Semunying Jaya has taken for their newest married couple means little. With almost no rainforest remaining and no job offers from Duta Palma, the couple face a future of absolute poverty, an existence the resource rich Dayak community had never known before oil palm.

- David Gilbert  
October, 2009

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## NOTES

- <sup>1</sup> Mario Rautner, Borneo: Treasure island at risk. WWF Germany. June, 2005.
- <sup>2</sup> Nellemann, C. et al., The last stand of the orangutan – State of emergency: Illegal logging, fire and palm oil in Indonesia's national parks. United Nations Environment Programme, GRID-Arendal, Norway. 2007.
- <sup>3</sup> Fred Pierce, "Bog barons: Indonesia's carbon catastrophe," Telegraph, Dec 6, 2007.
- <sup>4</sup> Consideration of the reports submitted by state parties under Article 9 of the convention: Indonesia. CERD/C/IDN/CO/3. UN Committee on the elimination of racial discrimination 71st session. August 2007.
- <sup>5</sup> Request for Consideration of the Situation of Indigenous Peoples in Kalimantan, Indonesia, under the UN CERD's Urgent Action and Early Warning Procedures. UN CERD 71st session. August, 2007.
- <sup>6</sup> Preliminary grievance against the Duta Palma Group. Letter addressed to The General Secretary of the RSPO. July, 4 2009.
- <sup>7</sup> Duta Palma: The oil palm industry's recipe for climate disaster. Greenpeace International. 2007
- <sup>8</sup> "Indonesia to double oil palm production by 2020," AFP, May 27, 2009.

