

# CARGILL'S PROBLEMS WITH PALM OIL

A BURNING THREAT IN BORNEO



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*“Unfortunately, not every palm developer operates responsibly. Forests have been logged (sometimes illegally) to make room for palm plantations. Destroying forests to plant palm is a net negative for trapping carbon and mitigating climate change.”*

– Paul Dienhart, Senior Editor, Cargill News, 2007

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# SUMMARY

U.S. agribusiness giant Cargill plays a leading role in the global palm oil market. The largest importer of palm oil into the U.S., Cargill has a two-part business model in the palm oil industry: it both owns and operates palm oil plantations in Indonesia and it purchases and trades palm oil and its derivatives worldwide.

This report presents evidence that Cargill is operating two undisclosed palm oil plantations in West Kalimantan, Indonesia. Operations at these plantations are actively burning and clearing rainforests, causing conflict with local communities, destroying peatlands and operating in violation of the Roundtable on Sustainable Palm Oil's (RSPO) Principles and Criteria and outside of Indonesian law. It also finds that Cargill has failed to adopt and implement systematic safeguards in its production, purchasing and trading of palm oil from other suppliers.

## Cargill's palm oil commitments

Cargill became a member of the RSPO, a voluntary standard for palm oil production, in 2004. As a certified member of the RSPO, Cargill is publicly asserting that the palm oil it produces and trades adheres to industry best practices and RSPO Principles and Criteria. Investigation of the reality on the ground, however, reveals a wide gulf between Cargill's palm oil operations and its stated commitments and responsibilities under the RSPO.

## RSPO Violations

This investigation presents evidence that Cargill is violating at least five RSPO criteria:

- » Operating outside of Indonesian law;
- » failing to disclose ownership of palm oil plantations;
- » clearing rainforests without permits;
- » failing to resolve ongoing and large-scale land conflicts; and
- » destroying watersheds.

## Indonesian Law Violations

This investigation presents evidence that Cargill is violating at least five RSPO criteria:

- » Operating without an Environmental Assessment Report or Business Permits;

- » clearing rainforest without Timber Cutting Permits;
- » exceeding the maximum allowed concession area;
- » clearing peatlands; and
- » using fire/burning in palm oil concessions.

## Systemic failures in Cargill's supply chain

This report also finds that Cargill is not exercising necessary oversight of its own supply chain to ensure that it is clear from controversy. Cargill is regularly purchasing from and trading with at least two controversial palm oil suppliers, SALCRA and Sinar Mas Group, that are actively destroying rainforests, violating human rights and operating outside of industry best practices and/or national laws.

## Recommendations and Conclusions

Bold action by Cargill, the most influential palm oil producer and trader in the U.S., to reduce the negative impacts of its palm oil operations could establish an important precedent for agribusiness throughout the world.

Based on the findings of our investigation, RAN recommends that:

- » Cargill adopt and implement a comprehensive palm oil policy that includes commitments to ensure socially and environmentally responsible palm oil production on their plantations and supplier plantations in line with RSPO Principles and Criteria and Indonesian law.
- » Cargill support a moratorium on natural forest conversion and peat land draining throughout their supply chain.
- » The RSPO immediately investigate Cargill's violations under the RSPO P&C and take appropriate disciplinary action.
- » The RSPO immediately investigate and take action on existing complaints against problematic companies such as SALCRA and Sinar Mas, and implement an immediate moratorium on peatland conversion.
- » Cargill customers, such as General Mills, investigate their own supply chains, and cancel contracts with problematic suppliers, including Cargill and Sinar Mas Group.
- » The Indonesian government should investigate the legality of Cargill's CTP Holdings plantations in West Kalimantan and take appropriate action based on their findings.

# INTRODUCTION

## PALM OIL: CARGILL'S PROFITABLE YET PROBLEMATIC COMMODITY

Palm oil is commonly found in thousands of consumer products, from soap and lipstick to breakfast cereal and soymilk. Its use is widespread and increasing around the world, but particularly in the U.S., where its consumption has tripled in the last five years.<sup>3</sup> Unfortunately, palm oil is also tightly linked to the destruction of some of the world's most valuable remaining rainforests, primarily in Indonesia and Malaysia. Increasing consumption has triggered expanded production, replacing once biodiverse rainforests with mono-cropped palm oil plantations.

U.S. agribusiness giant Cargill plays a leading role in the global palm oil market. The largest importer of palm oil into the U.S., Cargill has a two-part business model in the palm oil industry: it both owns and operates palm oil plantations in Indonesia and it purchases and trades palm oil and its derivatives worldwide.

In the face of growing controversy around palm oil, Cargill has publicly promoted its commitments to the sustainable production of palm oil. Their website states:

*"Cargill is committed to sustainable palm oil production and sourcing. With the growing demand for palm oil in both food and non-food applications, it is critical that all parts of the palm oil supply chain – from plantations to retailers – act in an environmentally sustainable and socially responsible manner."<sup>4</sup>*

In 2004, Cargill became a member of the RSPO, a voluntary standard for palm oil production. As a certified member of the RSPO, Cargill is publicly asserting that the palm oil it produces and trades adheres to industry best practices. The reality on the ground, however, indicates a wide gulf between Cargill's palm oil operations and its stated palm oil commitments.

Our findings make the case that Cargill's palm oil subsidiary, CTP Holdings, is directly violating RSPO criteria and Indonesian law. In addition, we find that Cargill's palm oil purchasing and trading arms are also failing to live up to the principles and criteria of the RSPO to which Cargill has publicly committed itself.

While these violations continue, Cargill's customers, including major U.S. consumer product companies General Mills, Kraft, Mars and Nestle, cannot be assured that palm oil bought from Cargill is produced in a way that respects RSPO principles, Indonesian law or rainforest and forest peoples' protection.



# METHODOLOGY

Between July 2009 and March 2010, RAN conducted field investigations and interviews in conjunction with Kontak Masyarakat Borneo (KMB), a partner NGO based in Pontianak, West Kalimantan to investigate the operations and practices of Cargill's majority held subsidiaries in the Ketapang district of West Kalimantan, on Indonesian Borneo. RAN began field investigations and interviews related to Cargill's HSL plantation in July 2009. KMB conducted the majority of the field investigations and interviews in early 2010. RAN conducted independent research and compiled all gathered information into this report.

This report's investigation is focused on CTP Holdings, a Cargill subsidiary based in Singapore, and the four oil palm plantations (PT Harapan Sawit Lestari, PT Indo Sawit Kekal, PT Ayu Sawit Lestari, and PT Harapan Hibrida Kalbar) that CTP Holdings owns and operates. Additionally, the report examines Cargill BV and

Cargill Palm Products, key Cargill subsidiaries, and their role as purchasers and traders of palm oil in Southeast Asia. In particular, the report studied their trading relationship with three suppliers (SALCRA, Sinar Mas Group and Duta Palma) whose practices were deemed representative of those that may be occurring throughout Cargill's supply chain.

All analysis presented in this report is based on three in-person site visits, firsthand interviews, as well as maps and documents obtained from the government of Indonesia and Cargill employees. To determine Cargill's historical operations and forest impacts, and the impacts of its Malaysian supplier SALCRA, LANDSAT satellite images across a wide temporal scale were obtained from the U.S. Geological Survey.



# PALM OIL IN SOUTHEAST ASIA

## RAINFORESTS, PALM OIL, AND CLIMATE CHANGE IN BORNEO



Divided between two nations, Indonesia and Malaysia, the island of Borneo holds some of the world's largest and most diverse tropical forests, including mangroves, peat lands, swamp forests, lowland rainforests and mountain forests. This diversity of forests supports many unique and endangered species including orangutans, gibbons, hornbills, proboscis monkeys, clouded leopards and sun bears.

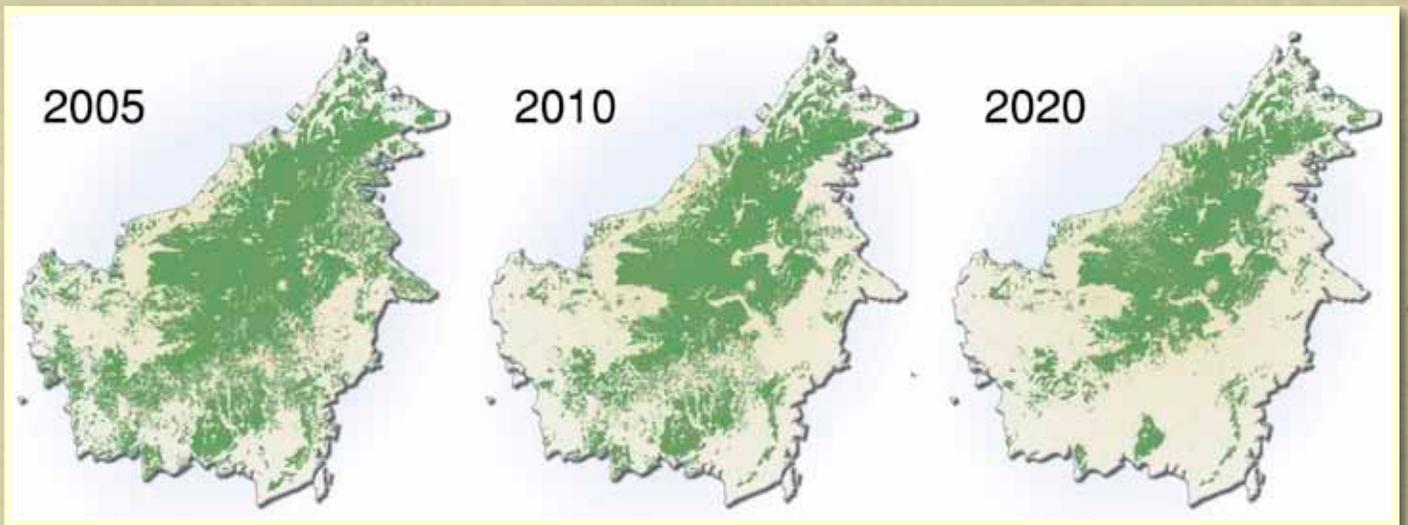
These majestic habitats are under severe threat. Since 1950, Borneo has lost more than half of its forest cover. Illegal logging, industrial scale plantations, government corruption and corporate land grabs have combined to create the conditions for a massive land and resource grab that is moving across the island, wiping out forests, species and communities. In fact, the eradication of Borneo's lowland forests could occur as soon as 2018.<sup>5</sup>

**IMAGE 1. Fires during the 1997 El Nino season in Indonesia led to the highest emissions ever recorded for a single nation.**

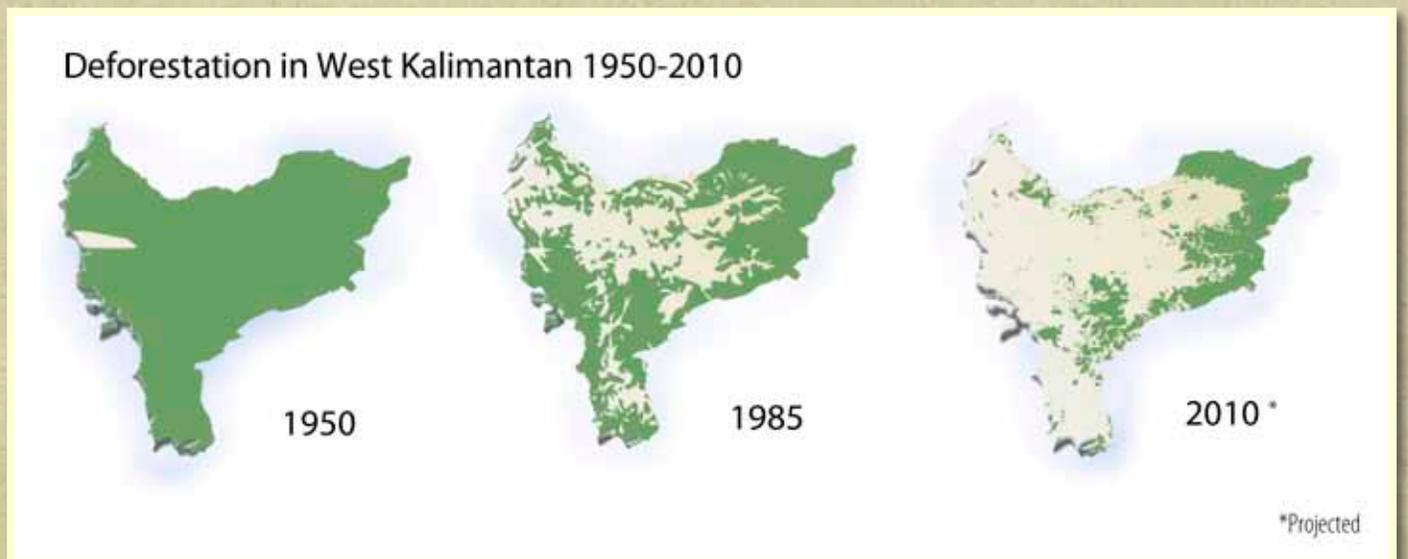
Effects of this forest destruction are well documented. Borneo has growing environmental and social problems: countless species have already gone extinct and more are gravely threatened. Burning to clear rainforests is widespread, laying down a thick haze of smoke that shuts down regional air traffic and provokes public health alerts in urban areas hundreds of miles away. Pesticides and factory run-off are polluting the waterways and local soils. And, increasingly, corporate control of land is spurring human rights abuses and persistent conflicts between companies and local communities.

The destruction of Borneo's rainforests is part of a regional pattern of deforestation that is one of the leading causes of climate change. Rainforest destruction causes huge carbon emissions as the carbon stored in forest ecosystems is burnt and released into the atmosphere. Because standing forests absorb and store large amounts of carbon already in the atmosphere, the loss of rainforest also means the loss of one of the world's greatest carbon storage systems and buffers against climate change. Due to the clearing and burning of rainforests and peatlands in Indonesia, the country ranks third in total greenhouse gas emissions, following China and the United States.

**MAP I. Deforestation in Borneo**



**MAP II. Deforestation in West Kalimantan**



# ATTEMPTS AT ACCOUNTABILITY THE ROUND TABLE ON SUSTAINABLE PALM OIL (RSPO)

Recognizing the growing controversy surrounding palm oil's connection to rainforest destruction, the palm oil industry created the RSPO in 2004. The multi-stakeholder body is the only independent certification standard available for palm oil production, procurement and use. It is voluntary, and represents roughly 35 percent of the global production of palm oil, although only about one tenth of this oil is currently certified as sustainable.<sup>6</sup>

The stakeholders include palm oil producers, buyers, environmental and social NGOs, and to a limited extent, smallholders. While all stakeholders have influenced the Principles and Criteria (P&C), ratified in November 2007, the most powerful forces in the RSPO are palm oil producers and traders from Indonesia and Malaysia, including the Indonesian and Malaysian Palm Oil Associations (GAPKI and MPOC, respectively).

The RSPO P&C were created in response to pressing calls for change from destructive palm oil production. At this time, all members of the RSPO are required to implement the P&C as a condition of their membership. The current version of the RSPO P&C, finalized and ratified in 2007, sets standards that require certified members to respect national law, use industry best practices, and to conserve environmental and biological resources. Additionally, it defines safeguards for primary forests and High Conservation Value Forests (HCVFs), and for protecting forest communities' internationally recognized right to Free, Prior, and Informed Consent (FPIC) at new and existing palm oil plantations. Compliance with these standards is the substance behind the RSPO label, assuring consumers that the palm oil sold under the RSPO stamp has been produced in a "sustainable" manner. However, due to the voluntary nature of the RSPO, very few members have received certification to date. And, furthermore, even those that have received certification of one plantation, including Cargill, are violating the P&C throughout their supply chain.



# CARGILL IN THE PALM OIL MARKETPLACE

Cargill is the largest palm oil actor in the U.S. market and one of the most influential companies producing and trading palm oil worldwide. As a private company, Cargill does not release any public information regarding its trading of palm oil or the impacts of its many palm oil suppliers.<sup>7</sup> However, using publicly available import data, a picture of its overall operations can be obtained.

Over 85 percent of all palm oil is produced in Indonesia and Malaysia. In 2007/2008, Indonesia became the world's largest producer of palm oil, producing 18.3 million tons of crude palm oil (44 percent of world supply).<sup>8</sup> In 2007, Cargill purchased an estimated 10 percent of palm oil output from both Indonesia and Malaysia,<sup>9</sup> which it imported into the U.S. to sell directly and trade. In 2008, Cargill was both Indonesia's largest exporter of palm oil to the U.S. and the largest U.S. importer of Crude Palm Oil.<sup>10</sup>

Through at least four subsidiaries, CTP Holdings Inc., Cargill BV, Cargill Palm Products Sdn Bhd, and Cargill International Trading PTE, Cargill is a key player in the production, refining and trading of palm oil. Majority owned and managed by Cargill, CTP Holdings Inc. operates a total of five palm oil plantations in Indonesia. Cargill Palm Products Sdn Bhd, another Cargill majority owned joint venture, is based in Malaysia and purchases palm oil produced in both Malaysia and Indonesia as feedstock for a range of Cargill's palm oil derivative products. Cargill BV and Cargill International Trading PTE, with proprietary global shipping fleets, move palm oil and its derivatives to key markets in the U.S., Europe, India and China.

In addition to its own plantations, Cargill purchases and trades palm oil produced by at least 26 Indonesian and Malaysian palm oil producers, including purchases of CPO and Crude Palm Kernel Oil (CPKO) from Malaysian producers.<sup>11</sup>

In 2007, Cargill's Singapore trading arm exported at least 220,000 tonnes of palm oil from 13 different palm oil concession holders in Indonesia, including Sinar Mas Group, Salim Group, Musim Mas, IOI and Wilmar. Over 70,000 metric tonnes of this went to Europe, The Netherlands and Italy; and 110,000 metric tonnes went to China, India and the rest of the world.<sup>12</sup>

Both Cargill's export activities based in Indonesia, Malaysia and Europe and its import activities into the U.S. have increased significantly since 2007. U.S. import data shows that Cargill supplied or purchased 49 percent of the 939,601 metric tonnes of palm oil that entered into the U.S. in 2009. Cargill Palm Products Sdn Bhd supplied 158,941 metric tonnes of palm oil to the U.S. market, and Cargill International Trading PTE purchased just under 300,000 metric tons of palm oil products originating in the global market for import to the United States.<sup>13</sup>

Cargill supplies palm oil to some of the U.S.'s largest food companies, notably including General Mills, Kraft, Mars and Nestle.



# INVESTIGATION FINDINGS:

## CARGILL'S CTP HOLDINGS: UNDISCLOSED PALM OIL PLANTATIONS

Cargill manages and operates its palm oil plantations through CTP Holdings. Cargill and Temasak Holding, a private investment arm of the Singapore government, created CTP as a holding company in 2005 after purchasing palm oil plantations in Indonesia and Papua New Guinea from the Commonwealth Development Corporation (CDC) Group, the development finance arm of the U.K. Government. <sup>14</sup>

Cargill, as the majority shareholder, assumed complete managerial and operational responsibilities over CTP Holdings, as confirmed in a press release the company sent out in November 2005:

*"Cargill and Temasek Holdings have acquired CDC Group's palm plantation interests in Indonesia and Papua New Guinea. These include a plantation in Kalimantan (Indonesia) and a majority shareholding in four other plantations in the region. One of these plantations is located in Sumatra (Indonesia), with the other three in Higaturu, Milne Bay and Poliamba (Papua New Guinea). The new venture is registered in Singapore as CTP Holdings Pte Ltd (CTP). Cargill is the majority shareholder of CTP and will assume managerial and operational responsibilities. Cargill's existing palm plantation in Sumatra will now become part of CTP."* <sup>15</sup>

After this purchase, Cargill's CTP Holdings publicly claimed ownership of five palm oil plantations, as stated on their website:

*"Cargill owns and operates five palm plantations – two in Indonesia and three in Papua New Guinea – as well as 12 palm oil refineries across the world which buy, refine, process, and market palm oil products from our own and other plantations."* <sup>16</sup>

Early in 2010, Cargill sold its plantations in Papua New Guinea, leaving only PT Hindoli and Harapan Sawit Lestari Group, in the company's disclosed list of plantations.

**PT Hindoli**, Cargill's certified plantation in Sumatra received RSPO certification in February 2009, and the company has repeatedly showcased the plantation as an example of its commitments to sustainable palm oil in all of its publicity materials.

The **Harapan Sawit Lestari Group** is Cargill's second disclosed plantation, located in West Kalimantan, and consisting of two actual plantation sites, **PT Harapan Sawit Lestari (HSL)** and **PT Ayu Sawit Lestari (ASL)**. PT Harapan Sawit Lestari was entirely cleared of forest by CDC Group before CTP Holdings gained control of the plantation. Regardless of when forests were cleared, a Timber Cutting Permit (IPK) is required by Indonesian law. HSL is operating without an IPK.

PT Ayu Sawit Lestari, is managed and operated as a plantation under the Harapan Sawit Lestari Group. The forests here were first cleared in 1988 for development of a privately held rubber plantation. ASL is operating without an IPK and is harvesting palm oil from Danau Manis Mata production forest, which is protected from palm oil production by the Indonesian Ministry of Forestry.

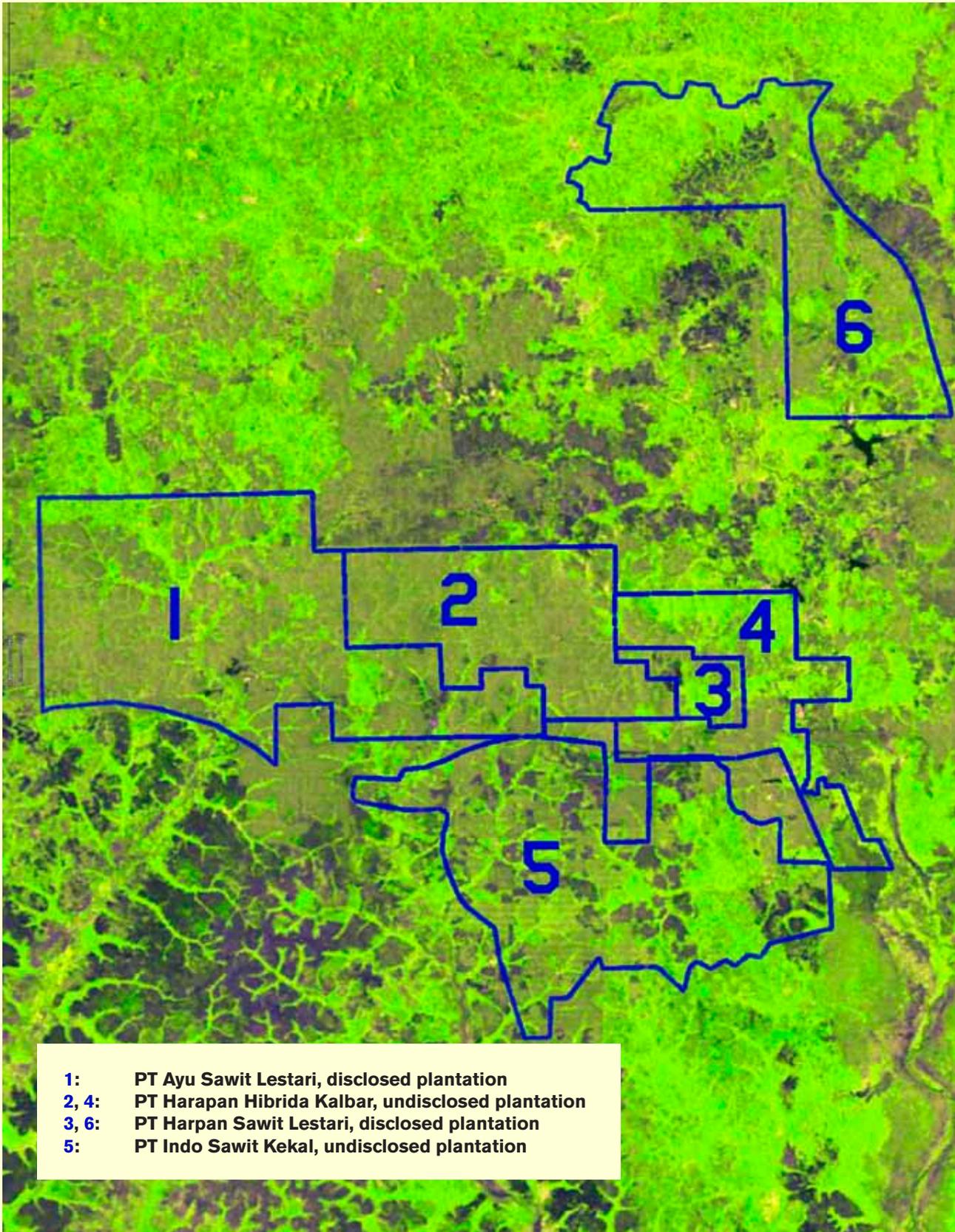
Cargill submitted a single time-bound plan to the RSPO detailing how they will achieve RSPO certification for the Harapan Sawit Lestari Group, including PT Harapan Sawit Lestari and PT Ayu Sawit Lestari in 2007, as they are required to do by the RSPO P&C.<sup>17</sup> However, RAN's investigation shows that these plantations are currently violating some of the RSPO's P&C criteria, including a lack of timber cutting permits and unresolved community conflicts.

Moreover, this report finds that **Cargill's CTP Holdings is failing to disclose at least two additional palm oil plantations in the Ketapang district of West Kalimantan.**

These plantations are not officially recorded on any RSPO documents or properly permitted in Indonesian government offices. Nor has Cargill ever made any public statements asserting ownership of these plantations. However, plantation management maps, environmental assessment reports and fire monitoring reports obtained from Cargill offices in West Kalimantan and from the district and provincial government show that CTP Holdings operates **PT Harapan Hibrida Kalbar(HHK)** and **PT Indo Sawit Kekal(ISK)**. These plantations are not RSPO certified nor are they compliant with RSPO guidelines.

These documents, as well as an exhaustive list of previous permits awarded to CTP Holding's operations, are included in Appendix 2.

MAP III. Cargill's palm oil operations in Ketapang, West Kalimantan, Indonesia. <sup>18</sup>





DATA AREAL PERKEBUNAN YANG RUSAK AKIBAT KEBAKARAN 2006

PT. HARAPAN SAWIT LESTARI GROUP  
(PT. HARAPAN SAWIT LESTARI & PT. AYU SAWIT LESTARI)

Dibuat oleh :  
*Cahyo Nugroho*  
Eng. Officer In Charge

WAKTU KEJADIAN					LOKASI KEBAKARAN								LUAS AREAL YANG TERBAKAR			UPAYA YANG DILAKSANAKAN/PENCEGAHAN				
Hari	Jari	Tgl.	Bln.	Thn.	Dilaporkan oleh	penanggung jawab	Lokasi Kebakaran (Desa/RT/RW/Perkebunan)	* Letak Koordinat		PT	Dept/Bag	DWE/Vr	Thn Tanam	Jh. Tim (pflr)	Luas (Ha)	Penyebab/sumber api	Alat yang digunakan	Lama Pemadam an (Menit)	Jml Personil	Total ms Pemadaman
								Easting	Northing											
Minggu	1	1	Ok	2006	Dribasuki	Santomo	B20	504590	9744500	HSL	KME	1	2001	319	2,34	Lanjutan dari tanggal 30	Pasang ,Kep	360	9	3,240
Minggu	1	1	Ok	2006	Dribasuki	Santomo	B21	504230	9744460	HSL	KME	1	2001	309	5,94	Lanjutan dari tanggal 30	Pasang ,Kep	360	9	3,240
Minggu	1	1	Ok	2006	Dribasuki	Santomo	C13	506490	9746990	HSL	KME	1	2002	908	6,67	Lanjutan dari tanggal 30	Pasang ,Kep	480	15	4,500

IMAGE II. PT Harapan Sawit Lestari Group Fire Monitoring Report.

TABLE I. Cargill's disclosed and undisclosed plantations in Ketapang, West Kalimantan, permit compliance and total land holdings exceeding maximum allowed HGU of 20,000.<sup>24</sup>

Company Name	Plantation Business Permit (IUP)	Location Permit (IL)	Timber Cutting Permit (IPK)	Business Operating License (HGU)	Full Permit Compliance?	Total HGU Landbank (Hectares)
PT indo Sawit Kekal		November 27, 2007, 14,500 hectares)			NO	No HGU - Estimated at 15,000
PT Harapan Sawit Lestari	No HK. 350/E5 196/03.97 March 23, 1997	No. 267 August 6, 1988 (4,525 hectares)		No. 106/HGU/BPN/97 August 26, 1997 (3,442) hectares	NO	21,656
		No. 2 September 10, 1996 (13,473 hectares)		No. 143/HGU/BPN/97 November 25, 1997 (5,137 hectares)		
		No. 21 December 8, 1996 (9,700 hectares)				
PT Ayu Sawit Lestari	HK 350/ES 676/10.94 October 19, 1994	No. 7 December 8, 1994 (9,700 hectares)		No. 35/HGU/BPN/97 May 6, 1997 (3,502.67 hectares)	NO	8,502
		No. 21 January 21, 2004 (6,894 hectares)		No. 05/HGU/BPN/2000 February 3, 2000 (5,000 hectares)		
PT Harapan Hibrida Kalbar		August 6, 1988 (4,525 hectares)	SK Menhutbun No. 938/Kpts-VI/1999	No. 26/HGU/BPN/1990 August 19, 1990 (1,020 hectares)	NO	4,137
				No. 20/HGU/BPN/1993 August 19, 1993 (2,040 hectares)		
<b>Total CTP Holdings Landbank:</b>						<b>49,295</b>

Table I demonstrates that all of Cargill's disclosed and undisclosed plantations are missing one or more of the permits required on file at district offices to own and operate a palm oil plantation in Indonesia. Of special concern is Cargill's failure to obtain most permits at ISK and Timber Cutting Permits (IPK) from the Ministry of Forestry almost all of its plantations.

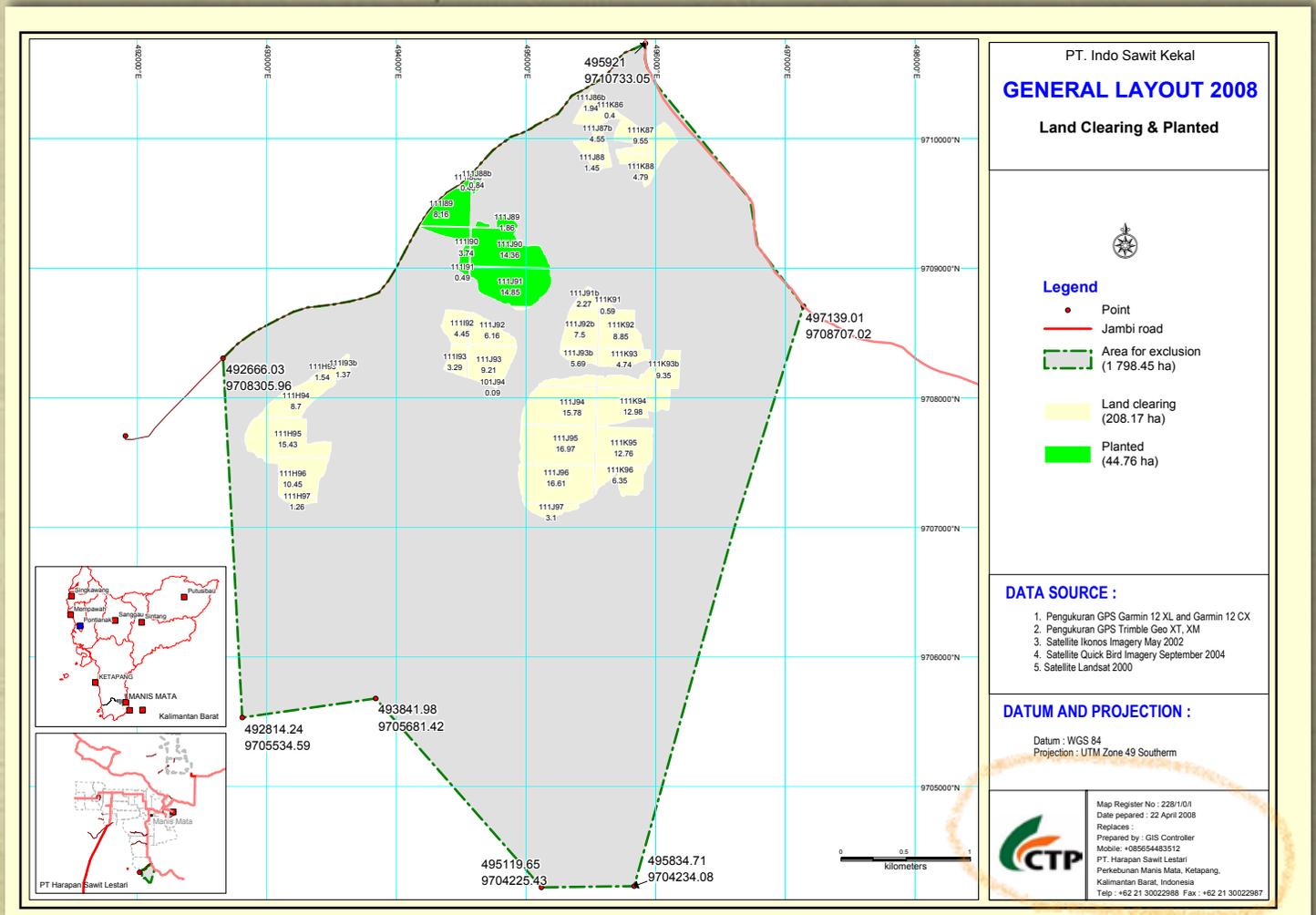
Both undisclosed plantations are operating in violation of the RSPO P&C and Indonesian law, as summarized below:

- » **Undisclosed Plantation #1: PT Harapan Hibrida Kalbar** is a mid-sized plantation consisting of a single operating estate. The plantation was fully cleared and planted with palm oil by the CDC Group in the early 2000s. PT Harapan Hibrida Kalbar lacks plantation business permits, location permits, and timber cutting permits.
- » **Undisclosed Plantation #2: PT Indo Sawit Kekal** is CTP Holdings single largest operating estate at an estimated 15,000 hectares, a size in excess of the legal maximum area allowed for concessions. To date, no plantation business permits, timber cutting permits or business operating licenses have been registered with the district or provincial levels of the Indonesian government. CTP Holdings is clearly identified as the operator of the plantation in the General Layout Map 2008, which lays out the planned expansion and plantings areas within the

plantation. Cargill is actively clearing and burning rainforests at PT Indo Sawit Kekal, with an estimated 10,500 unpermitted hectares cut since 2005. Additionally communities around Indo Sawit Kekal report that their traditional lands were taken without compensation and their community waterways have been polluted.

In failing to disclose these plantations, Cargill is creating a loophole for itself – as long as these plantations are not recognized by the RSPO or Indonesian governments, they are not held to the standards that the RSPO or Indonesian law requires. On the ground research demonstrates, in fact, that Cargill is utilizing this loophole and actively destroying rainforests and burning peatlands, abusing community land rights, polluting waterways, and greedily grabbing more land than legally permitted by law.

**MAP IV. CTP Holding's PT Indo Sawit Kekal General Layout map 2008.**



# CARGILL: MISUSING RSPO MEMBERSHIP AND VIOLATING RSPO RULES

Cargill is a member of the RSPO, through three of its companies: CTP Holdings, Cargill BV, and Cargill Palm Products.<sup>19</sup> All companies are majority owned and directly managed by Cargill.<sup>20</sup> Notably, Cargill's primary trading arm, Cargill International Trading PTE, is not an RSPO member. While Cargill Inc. has made commitments to meet RSPO P&C and achieve certification of all of its plantations, its palm oil companies are operating in violation of RSPO P&C.

In a letter addressed to Rainforest Action Network in 2009, Cargill stated: "We fully support the RSPO Principles and Criteria and certification procedures to promote the growth and use of sustainable palm oil throughout the supply chain. We encourage our third party suppliers to join the RSPO and attain RSPO certification. It is our hope that all palm oil plantations become RSPO certified."<sup>21</sup>

CTP Holdings achieved RSPO certification of its PT Hindoli plantation in Sumatra in February 2009, and the company has publicly stated its intention to work towards certification of one of its plantations in West Kalimantan: PT Harapan Sawit Lestari.

However, research on the ground in the Ketapang District of West Kalimantan reveals that serious violations of RSPO P&C are present and ongoing on Cargill's CTP Holdings plantations.

**Specifically, Cargill's uncertified plantations are:**

- » **operating without proper government permits, including environmental assessment reports or business operating permits**
- » **clearing rainforests without proper permits**
- » **violating the maximum allowed concession area**
- » **clearing peatlands**
- » **and using fire in their palm oil concessions**

The intent of the RSPO is to distinguish between companies who are operating in an environmental and socially responsible manner and those who are not. By claiming membership while violating the rules and failing to apply RSPO P&C to their palm oil trading business, Cargill is misusing RSPO membership and attempting to maintain the benefits of good behavior without making real changes on the ground.

## RSPO VIOLATION I: OPERATING OUTSIDE OF INDONESIAN LAW

Legal compliance is the most basic threshold for any company claiming to operate sustainably. Criterion 2.1 of the RSPO P&C requires "compliance with all applicable local, national and ratified international, laws and regulations."<sup>22</sup>

Investigations on the ground suggested Cargill to be operating outside of Indonesian law. Evidence supporting this conclusion is presented in the following section (**Cargill operating outside of Indonesian Law**).





## RSPO VIOLATION 2: UNDISCLOSED OWNERSHIP OF PALM OIL PLANTATIONS

The RSPO requires producers that have received certification at one palm oil plantation to apply the same practices to ALL of their palm oil operations.

'Organizations with more than one management unit and/or that have a controlling holding in more than one autonomous company will be permitted to certify individual management units and/or subsidiary companies only if:

- (a) the organization is a member of RSPO; and
- (b) a time-bound plan for achieving certification of ALL relevant entities is submitted to the certification body (...); and
- (c) there are no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labor disputes that are not being resolved through an agreed process and no evidence of non-compliance with the law in ANY of the non-certified holdings (...)' <sup>23</sup>

These requirements were designed to prevent a plantation holding company, like Cargill's CTP Holdings, from having only one of its subsidiaries fully certified while other subsidiaries could maintain active forest destruction or open community conflicts. This regulation, however, assumes that all of a company's subsidiaries are fully public and accounted for in the certification analysis.

The evidence uncovered suggests that the undisclosed plantations in Cargill's CTP Holdings are currently not in compliance with these RSPO requirements. Since these plantations remain undisclosed, they are not accounted for in any RSPO audits or other third party monitoring, allowing Cargill to continue operating without regard to RSPO restrictions while still claiming certified RSPO membership.

## RSPO VIOLATION 3: FAILURE TO MEET REPORTING AND TRANSPARENCY REQUIREMENTS

RSPO Criterion 7.3 requires an HCVF assessment to be conducted before any forest conversion occurs (effective November 2005).<sup>25</sup> Additionally, RSPO Criterion 1.2 maintains that “plans and impact assessments relating to environmental and social impacts” must be made publicly available.<sup>26</sup>

RAN’s review of Cargill’s undisclosed plantations show that Cargill began land-clearing activities shortly after it took control of PT Indo Sawit Kekal in November 2005 and has actively cleared forest areas in this plantation as recently as February 2010.

Analysis of satellite maps shows that Cargill has cleared an estimated 10,500 hectares in total, all of which occurred after 2005.<sup>27</sup>

Multiple sources working at PT Indo Sawit Kekal have confirmed there is no HCVF assessment for the plantation. Cargill has refused requests to confirm the existence of the needed documents or to make them public.



## RSPO VIOLATION 4: ONGOING AND LARGE-SCALE LAND CONFLICTS

RSPO P&C requires that local people be consulted about and freely consent to land acquisitions before any development occurs and that fair compensation be paid to land holders whose land is taken over by corporations.<sup>28</sup> The P&C states clearly that standard operating procedures should be established to support these efforts and requires documentation of the process and outcomes of consultation, consent, and fair compensation.<sup>29</sup> To date, Cargill has refused to make its standard operating procedures or documentation of the consultation and compensation process public.

Communities consulted on the ground, however, consistently maintain that no consultation or compensation took place

before CTP Holdings took control of any of their plantations in Kalimantan, including PT Harapan Sawit Lestari, Cargill's publicly disclosed site. During three field visits spanning July 2009 – February 2010, village representatives were interviewed from ten of the approximately thirty Indigenous villages in and around CTP Holding's palm oil plantations. A majority of villagers at each of these ten villages maintain that they did not and have not agreed to the incorporation of their land into palm oil estates, nor have they signed any agreements for the relinquishment of their land.<sup>30</sup>

*“The people did not know about oil palm. Of the economic and social impacts. When the company meets with the people they say ‘Everything will be much better.’ The reality now is far from what they say. Now many of our people are suffering”*

*– Pak Ladup at PT HSL*

*"I am not sure I will survive. My rubber trees have been destroyed. It is so hard now, my livelihood is gone, taken away by Cargill."*

**–Pak Rusni at PT ISK**



*"The forest here is gone now. I will be okay. But what about my children, my grandchildren, and their children after them? Where will they be able to grow their food, have their farms, find work?"*

*"Our river is destroyed. The oil palm trees drink a lot. And the palm oil factory drinks even more. One time after bathing I broke out in a horrible rash. I went to the hospital for many days. It was HSL's palm oil mill, it is only 500 meters away, that caused this. I went to HSL's office to demand they pay for my treatment. But they just sat silent."*

**–Pak Gladu, PT HSL**



## RSPO VIOLATION 5: DESTRUCTION OF WATERSHEDS

RSPO Criterion 4.4 states that water supplies must be maintained and their quality protected, that water management plans be implemented and that riparian buffer zones be maintained and restored where degraded. Criterion 5.1 and 7.1 require environmental impact assessments to include impacts of water supply and quality.

On at least two of their plantations, PT Harapan Sawit Lestari and PT Indo Sawit Kekal, Cargill is not meeting these criteria. Local communities maintain that water supplies used for drinking and bathing have been severely impacted. On both plantations,



palm oil waste and CPO mill effluent has been released directly into rivers and oil palm is being planted directly alongside rivers without buffer zones. Villagers report they have broken out in rashes and illness after using contaminated community water sources.

# LEGAL QUESTIONS: CARGILL OPERATING OUTSIDE OF INDONESIAN LAW

After inquiring with district and provincial level Indonesian government agencies in the province of West Kalimantan to determine the status of Cargill's permitting process at PT Harapan Sawit Lestari, PT Harapan Hibrida Kalbar, PT Ayu Sawit Lestari and PT Indo Sawit Kekal; reviewing the company's on-the-ground activities using historical and current satellite imaging; and conducting interviews with CTP Holdings representatives and local communities, researchers found significant evidence that **Cargill's CTP Holdings is operating outside of at least five basic Indonesian legal requirements:**

- » **operating without an Environmental Impact Permit;**
- » **operating without Timber Cutting Permits;**
- » **managing plantations above the maximum permitted land holding size;**
- » **clearing forests and sensitive peatlands; and,**
- » **using fire to clear land on their own plantations.**

# VIOLATION I: OPERATING WITHOUT ENVIRONMENTAL ASSESSMENTS OR BUSINESS PERMITS

Indonesian law requires palm oil producers to obtain a series of sequential permits before beginning operations or clearing forests.

Prior to obtaining a Plantation Business Permit (IUP), a pre-condition for starting a plantation, a company must conduct and obtain approval of an Environmental Impact Assessment (EIA – AMDAL in Indonesian). Approval of the EIA by the Provincial Environmental Monitoring Commission is required before applying for the IUP.<sup>31</sup> According to Indonesian law, any IUP issued without an EIA should be revoked.<sup>32</sup>

To ensure that each company has an EIA before land clearing the West Kalimantan Environmental Monitoring Commission (Bapedalda) requires all plantation companies to sign a statement, before the EIA is processed and approved, confirming that no land operations have commenced.<sup>33</sup>

Repeated checks by RAN's investigation team with the West Kalimantan Environmental Monitoring Commission, an agency

of the West Kalimantan Provincial government, have shown that Cargill's PT Indo Sawit Kekal is clearing forests and planting palm oil without the legally required EIA on file. After multiple requests by RAN with Cargill management in the U.S. and CTP Holdings management in Ketapang, Cargill has not provided the EIA nor confirmed that it exists.

Without an EIA, Cargill has not been able to obtain the necessary Plantation Business Permit (IUP) or the final Business Operating License (HGU), but interestingly obtained a Location Permit (IL) for 14,500 hectares in November 2007.

Without an EIA, an IUP, or an HGU, Cargill's operations at PT Indo Sawit Kekal have been operating without all required permits since its inception in 2005. If this is true, **Cargill is responsible for the illegal clearance of approximately 10,500 hectares of natural forest – most of the concession.**<sup>35</sup> Forest clearing has continued up to the most recent check by RAN's investigations team, in February 2010.

**MAP V. Land Clearing in Cargill's PT Indo Sawit Kekal: December 2009.**<sup>34</sup>



## VIOLATION 2: FOREST CLEARING WITHOUT TIMBER CUTTING PERMITS

According to Indonesia's 1999 Forestry Act, companies are not allowed 'to cut trees or harvest or collect any forest products within the forestland area without holding rights or a license issued by authorized officials'.<sup>36</sup>

In compliance with this law, companies receiving land leases for palm oil plantations need to obtain a Timber Cutting Permit (IPK) before clearing any forested areas in its concession areas. Palm oil plantations do not have holding rights and instead operate with leases from the government, triggering the need for an IPK if they operate on designated national forest estate land. Violation of this provision is an offence under article 78(2) of the Forestry Act.<sup>37</sup>

Ministry of Forestry Decision No 382 (2004) furthermore stipulates that IPKs are also required for clearing forests on Non-Forest Estate Lands (APLs).<sup>38</sup> The IPK regulates where companies can and cannot clear the forest and provides the basis for payment of forestry taxes. If a company clears forested land without an IPK, there is no government registry of the valuable timber harvested during this forest clearing activity, preventing the government from collecting stumpage taxes.

According to provincial land use maps, Cargill's plantations are classified as APLs and Production Forest, both categories are subject to the Government of Indonesia's IPK legislation, and thus are required by law to have IPKs to operate.<sup>39</sup>



IPKs are issued at a local level by either the governor or district head, in this case the District of Ketapang. The most recent list of IPK approvals for Ketapang published for 2010 by the Ministry of Forestry does not include any of Cargill's plantations.<sup>40</sup>

Satellite image analysis confirms forest clearance occurred at PT Indo Sawit Kekal in the period between 2005 and 2009, and the need for Cargill to have IPKs.<sup>41</sup>

**Map VI. Forest clearing in PT Indo Sawit Kekal. LANDSAT 7 satellite images for years (A) 2003, (B) 2006 and (C) 2009. GPS: 49 M 0487679 UTM 9723188**



**(A) PT ISK Remaining forest cover in 2003**



**(B) PT ISK Active land clearing and remaining forest in 2006.**



**(C) PT ISK New palm oil plantings and remaining forest 2009.**

## VIOLATION 3: VIOLATION OF MAXIMUM ALLOWED CONCESSION AREA

Indonesian regulations specify that a single company cannot control more than 20,000 hectares of plantation area in a single district, rules intended to limit the dominant control of the district by any one company. <sup>42</sup>

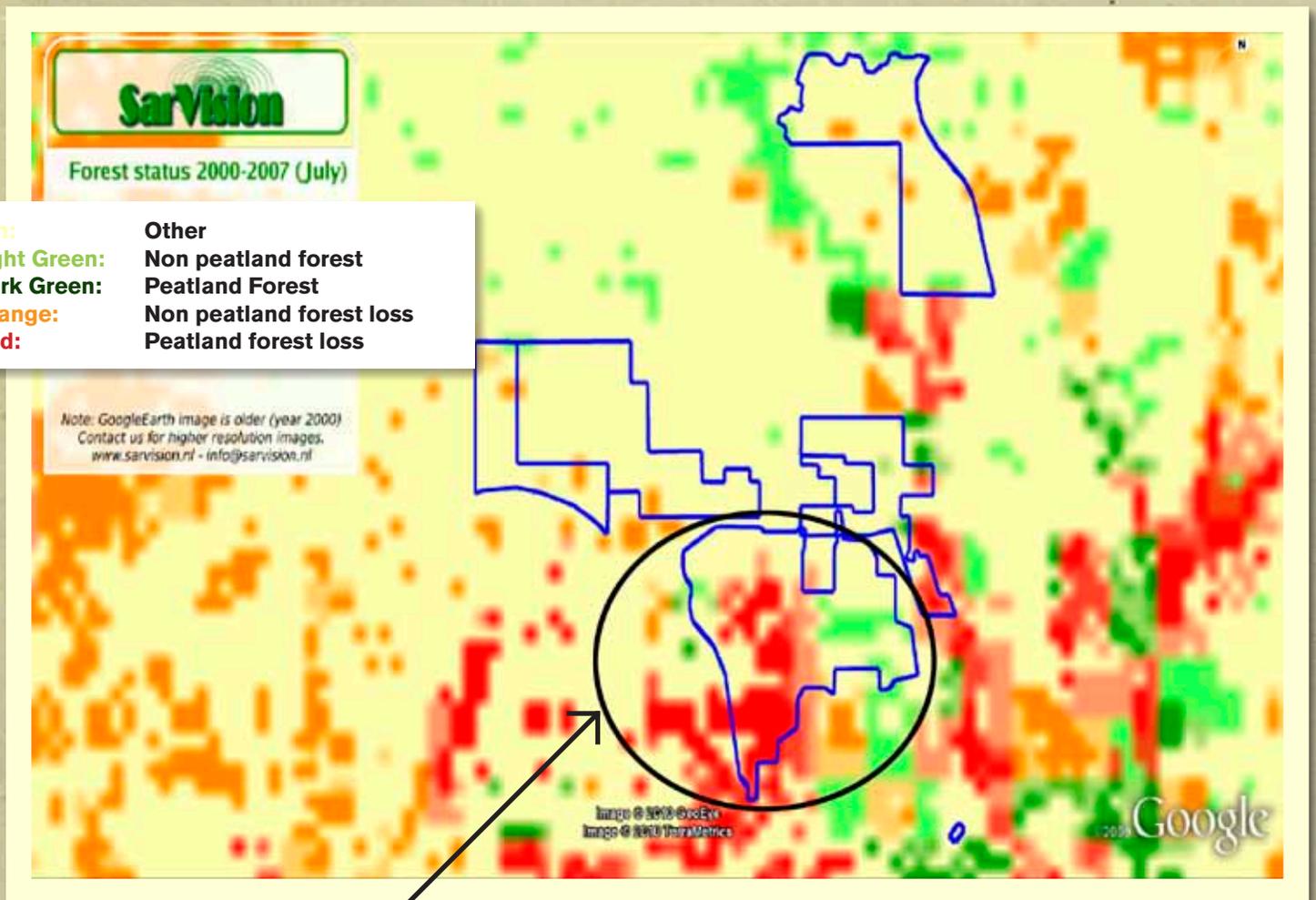
Cargill's operations in the Ketapang District (PT Harapan Sawit Lestari, PT Indo Sawit Kekal, PT Ayu Sawit Lestari, and PT Harapan Hibrida Kalbar) total an estimated 49,295 hectares, more than double the maximum allowed concession area (see Table 1). Palm oil plantation holdings are normally issued at the district level, in this case through the District Head of Ketapang. It remains unclear how Cargill was able to procure leases for land holdings larger than allowed by law.



## VIOLATION 4: CLEARING OF PEATLANDS

To protect the large carbon stores and unique ecological functions of peatlands, the Indonesian government has stipulated that any peat deeper than three meters as well as river basin peatlands are unsuitable for palm oil and should not be cleared.<sup>43</sup> In addition, RSPO P&C state that plantings on peatlands and other fragile soils should be avoided.<sup>44</sup>

**Map XII. Peatland forest loss inside of Cargill's PT Indo Sawit Kekal.**



**Peatland forest loss inside PT Indo Sawit Kekal 2000 – 2007.**

According to the peatland deforestation map produced by the Indonesian Ministry of Forestry, in collaboration with satellite mapping consultancy SarVision in 2007, peatland forest loss occurred in Cargill's PT Indo Sawit Kekal plantation from 2000 – 2007.

## VIOLATION 5: USE OF FIRE/BURNING IN PALM OIL CONCESSIONS

Due to the extreme negative impact of forest burning on air quality and the large greenhouse gasses released by burning forests, Indonesian law and the RSPO both stipulate a “Zero Burn” policy for the clearing of forest areas for palm oil development. <sup>45,46</sup>

Cargill’s CTP Holdings are actively clearing rainforests on PT Indo Sawit Kekal using fire, visible in person and tracked through nationally run satellite imaging projects. This satellite imaging allows the accurate documentation of hotspots - individual

bouts of burning that occur over time at any specific location. RAN used the Fire Information for Resource Management System (FIRMS) hotspot database, developed by NASA and the University of Maryland,<sup>47</sup> to carry out an analysis of fire hotspots within PT Indo Sawit Kekal during Cargill’s development of this palm oil plantation. The analysis, carried out in March 2010, shows more than 50 unique burns occurred at PT Indo Sawit Kekal after Cargill purchased the palm oil operation, in violation of both Indonesian law and RSPO criteria.

**FIGURE I. Burning within Cargill’s PT ISK in 2005, before Cargill’s takeover (Map A), and in 2007, after Cargill assumed full ownership of PT ISK (Map B).**



**MAP A. 2005 fire hotspots before Cargill’s takeover of PT Indo Sawit Kekal. FIRMS fire data overlaid on LANDSAT 7 year 2003 satellite image.**

**MAP B. 2006 Fire hotspot within PT Indo Sawit Kekal after Cargill’s takeover. FIRMS fire data overlaid on ASTER year 2007 satellite image.**



# CARGILL'S SUPPLY CHAIN

In addition to the problematic practices found on its own disclosed and undisclosed plantations, Cargill regularly purchases palm oil from controversial suppliers that are actively destroying rainforests, violating human rights and operating outside of industry best practices and national laws. Ongoing purchases of palm oil from the Malaysian producer SALCRA and Indonesian producer Sinar Mas Group, as well as Cargill's previous purchases from Duta Palma, illustrate that Cargill is not exercising stringent and necessary oversight of its own supply chain and may be unaware of the origins of the palm oil it trades on the global market.

Additionally, Cargill's trading arm, Cargill International Trading PTE is not a RSPO member, meaning that the palm oil traded and sold by the company is not bound by the RSPO P&C, a fact that Cargill has repeatedly omitted from its public materials.

While a complete review of Cargill's supply chain was impossible given the lack of transparency and segregation in its palm oil supply chain, RAN believes that the following case studies are representative of the company's overall practices and reveal a consistent failure of Cargill's purchasing policies to screen out unsustainable environmental and social practices.



# SALCRA

The Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) manages 18 estates, covering a total planted area of 48,721 hectares in Sarawak (Malaysian Borneo).<sup>48</sup> SALCRA supplies ASSAR Refinery in Kuching, which Cargill owns 20 percent of, with palm oil fruits. Cargill is the exclusive buyer of the palm oil produced by ASSAR Refinery's CPO and CPKO.<sup>49</sup>

Initial investigations into SALCRA's palm oil operations show that this major supplier of palm oil to Cargill is involved in large-scale deforestation, open burning and expansion on peatland.

FIRMS hotspot analysis shows that over 40 unique hotspots, or incidents of burning, occurred in 2006 and 2007 during SALCRA's clearing of forest cover inside its Saratok operations for palm oil expansion.<sup>50</sup> Both Malaysian law and the RSPO require a "Zero Burn" policy for the clearing of forest areas for palm oil development, requirements that SALCRA is flagrantly violating.<sup>51</sup> In addition, Malaysian law requires that palm oil producers actively prevent any fires on their plantations and to immediately extinguish hotspots with their own fire-fighting equipment.<sup>52</sup>

Borneo's high deforestation rates and Sarawak's global ecological importance has led WWF to classify much of Malaysian Borneo as of High Conservation Value,<sup>53</sup> making this destruction an even more serious concern.

Various local reports have documented the negative impacts of SALCRA's land acquisition on native customary rights, recognized under Malaysian Law.<sup>54</sup> In Serian, multiple large-scale land conflicts have pitted the Indigenous Dayak against palm oil developers, resulting in forced evictions, loss of food security and long legal battles.<sup>55</sup>



# THE SINAR MAS GROUP

The Sinar Mas Group, Indonesia's largest producer of palm oil, has received significant media attention for its destructive practices and violations of Indonesian law. The worst allegations against Sinar Mas include human rights violations resulting in the deaths of local community members, the widespread use of fire to clear peatlands and the destruction of orangutan habitat and forest reserves.

In 2009 and 2010, major buyers of Sinar Mas palm oil, including Unilever, Kraft, and Nestle canceled their direct contracts with the company, worth an estimated 100 million USD annually.

Cargill's business relationship with Sinar Mas has been widely reported by the press,<sup>56</sup> and confirmed by Cargill's March 2010 announcement that the company would "delist" Sinar Mas from its trade portfolio, as done with Dutapalma, if the RSPO substantiates allegations made by Greenpeace against the company.

As stated on their website:

*"We are continuing to engage with Sinar Mas, we are following the independent verification and RSPO processes closely and look forward to seeing progress on this matter. If the independent verification process validates the allegations of illegal forest clearance and deep peatland clearance outlined in the Greenpeace reports and Sinar Mas does not take corrective action, we will delist them as a supplier."*<sup>57</sup>

While it has assured customers who ask that no Sinar Mas palm oil will be sold to them, Cargill has not publicly revealed where the palm oil that they are purchasing from Sinar Mas is going or the criteria that it will use to delist the controversial supplier.

# DUTA PALMA ON CARGILL'S "NO TRADE LIST"

In late 2009, RAN released a case study detailing Cargill's connection with Duta Palma's problematic operations in West Kalimantan from 2000 – 2007. As the deforestation analysis depicted by Sarvision makes clear, at least four palm oil plantations owned and operated by Duta Palma in West Kalimantan contributed significantly to the region's deforestation from 2000 - 2007.<sup>58</sup> After the release of this case study, Cargill responded with the following statement:

*"Specifically, I want to respond to the concerns you raised about Cargill's involvement with Dutapalma [SIC] as a palm oil supplier. As promised, I have contacted our business in Asia to clarify understanding. Dutapalma has been on Cargill's "no trade" list since the end of 2007 and we have not purchased palm oil products from Dutapalma since January 2008. Dutapalma was put on Cargill's "no trade" list because they did not meet our supplier standards which include environmental policies and actions."*<sup>59</sup>

As with Sinar Mas, public pressure seemed to be the motivating factor for Cargill's delisting of Duta Palma, not internal supply chain information or supplier standards. It was only after RAN reported on Duta Palma's damaging palm oil plantations that Cargill made public its corrective action. It is unknown if Cargill was previously aware of Duta Palma's record of rainforest destruction and failed to act, or if Cargill management was unaware of the actions of Duta Palma, one of their key suppliers for at least seven years.

Cargill's criteria for this 'No Trade List' is not public, and it is unknown if any other companies are included on this list or the internal controls, if any, that Cargill has put in place to implement it.



# CONCLUSION



This report presents evidence that Cargill has been operating in violation of Indonesian law, RSPO principles and criteria, and their own palm oil commitments. As Cargill assures its customers that it is committed to “sustainable palm oil and sourcing” and fully supports the efforts of the RSPO, it continues to actively destroy rainforests in Indonesia and Malaysia and to purchase and trade in palm oil produced in an environmentally and socially destructive manner by companies such as SALCRA and Sinar Mas.

RAN’s investigation shows that all four of Cargill’s Indonesian plantations are operating without proper environmental or business operation permits. Worse, Cargill is actively and illegally clearing rainforests and draining peatlands at PT Indo Sawit Kekal plantation, and is failing to resolve serious and longstanding land conflicts at PT Harapan Sawit Lestari plantation.

Cargill is the largest importer of palm oil into the U.S., selling the commodity to many of the nation’s largest food companies, including General Mills, Kraft, Mars and Nestle. In many ways, Cargill’s problem with palm oil is our problem with palm oil. The prevalence of Cargill’s palm oil in thousands of consumer products, from Cheerios to Betty Crocker cake mix, means that customers and consumers cannot be assured that their purchases aren’t directly contributing to the destruction of Borneo’s rainforests and global climate change.

Additionally, as one of the few companies to achieve certified RSPO member status, Cargill’s failure to comply with the most basic RSPO standards casts doubts on the RSPO’s ability to serve as a market indicator of responsibly produced palm oil. The RSPO has already come under serious criticism from a variety of social and environmental groups, both in Southeast Asia and internationally. If it does not take strong action to investigate and act on reports of RSPO violations by member companies including Cargill and Sinar Mas, it risks losing credibility as a meaningful standard of environmental and social responsibility.

It is RAN’s belief that socially and environmentally produced palm oil does not yet exist. However, if Cargill and other major palm oil using companies take a strong stance, it could be created.

The following are recommendations intended to move towards a world where the production of palm oil does not happen at the expense of the world’s last remaining rainforests.

# RECOMMENDATIONS

Bold action by Cargill, the most influential palm oil producer and trader in the U.S., to reduce the negative impacts of their palm oil operations could establish an important precedent for agribusiness throughout the world. Based on the findings of our investigation, **RAN recommends that Cargill adopt and implement a comprehensive palm oil policy as a first step towards a global forest policy and plan of action to protect rainforests around the world, honor Indigenous and human rights in all operations and purchases, and address the company's role in contributing to climate change from conversion of tropical rainforests, including peatlands, into agribusiness plantations.**

## **This policy should include:**

- » Support for an immediate moratorium on any further deforestation or draining of peatlands for palm oil plantations;
- » Goals and an implementation timeline to produce only 100 percent identity preserved and fully-traceable/segregated palm oil to all our customers by 2011;
- » Commitment and implementation timeline to produce and trade only RSPO certified sustainable, identity preserved and fully-traceable/segregated palm oil no later than 2015;
- » Meet growing demand for palm oil without any further expansion on forest land, including HCVF, peat lands, primary, and other natural forests for palm oil plantations directly managed by Cargill or by contract farmers;
- » Phase out any purchases of palm oil from suppliers or their parent companies that are converting forest lands into palm oil plantations;
- » Reduce greenhouse gas emissions from palm oil plantations, including restoration and re-wetting of all peat lands by 2015;
- » Source palm oil only from supplier plantations with a low carbon footprint, including: an immediate phase out of all palm oil supplies from plantations located on drained peatlands; halt development of, purchases and distribution from palm oil plantations on any lands that if cleared or drained would likely release more than 25 ton C/ha over a 25 year period; support RSPO adoption of above; and support full consideration of indirect land use change impacts in the development and implementation of all relevant certification and government policies and regulations for agricultural commodities and biofuels;
- » Protecting biodiversity of all native species, including threatened and endangered focal species, and restoring critical habitats within our palm oil plantations with a special focus on riparian zones and watersheds;
- » Respecting the Free, Prior, and Informed Consent (FPIC) of Indigenous People and other forest dependent communities. All consultations, negotiations, and land acquisitions should be documented and made public. Include a commitment to ban expansion of plantings into any area where land conflicts are occurring;
- » Resolve existing disputes on its plantations;
- » Model best practices for transparent auditing, monitoring, and public availability of all information, including third party audits. Information should include environmental and social assessment reports, standard operating

- procedures, documentation of complaints and grievances and its “No Trade List.” All information should be available on Cargill’s website, in English and relevant local languages; and
- » Immediately cancel contracts with companies that are in violation of Cargill’s palm oil policy, RSPO P&C and/or Indonesian law, and add them to
  - » Cargill’s “No Trade List.”

**Cargill customers should:**

- » Adopt and implement a palm oil policy and ask all suppliers, including Cargill to provide the same;
- » Ask Cargill and all other suppliers to immediately cancel contracts with any supply chain partners that are not complying with RSPO standards and in support of a moratorium on forest or peatland conversion for palm oil plantations;
- » Support a moratorium on any further deforestation or draining of peatlands for palm oil plantations;
- » Demand 100 percent identity preserved and fully-traceable/segregated palm oil;
- » Immediately disassociate with all of Cargill’s palm oil businesses to break the link between palm oil production and rainforest destruction, until or unless Cargill implements steps described above; and
- » Reduce use of palm oil and use alternative vegetable oils until truly sustainable palm oil exists.

**The RSPO should:**

- » Investigate Cargill’s operations in Indonesia and take appropriate disciplinary action to ensure that Cargill comes into full compliance with all RSPO P&C or, if it cannot, revoke Cargill’s status as a certified RSPO member;
- » Support and implement an immediate moratorium on any further deforestation or draining of peatlands for palm oil plantations;
- » Incorporate additional production and trading criteria and demonstrate a capability to implement its own adopted principles, including an established grievance procedure and third-party monitoring system; and
- » Halt development of, purchases and distribution from palm oil plantations on any lands that if cleared or drained would likely release more than 25 ton C/ha over a 25-year period.

**The Government of Indonesia should:**

- » Investigate the legality of Cargill’s operations in West Kalimantan and take appropriate action to ensure that all illegal activity ceases immediately as well as taking any punitive action that may be warranted;
- » Immediately take action to ensure that land disputes and social conflicts at Cargill’s plantations are resolved;
- » Immediately establish a moratorium on natural forest clearance and peatland drainage and degradation as one component of its strategy to meet its greenhouse gas emission reduction targets and realize its low carbon growth plans.

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- 36 Forestry Act Nr 41, 1999, article 50 (3e)
- 37 "Whomsoever intentionally violates the provisions of article 50 paragraph (3) letter (a), (b) or (c), shall be liable to punishment by imprisonment up to a maximum of 10 (ten) years and a fine up to a maximum of Rp. 5,000,000,000, (five billion rupiah)" Also see: Forestry Act 21, 1999.
- 38 Indonesia has divided its land base into Forest Estate (under the control of the Ministry of Forestry) and Non-Forest Estate (APL under the control of various other ministries, including, the Ministry of Agriculture).
- 39 Ministry of Forestry 2008. [www.dephut.go.id/halaman/Peta\\_Tematik/Tghk/TGKALBAR.GIF](http://www.dephut.go.id/halaman/Peta_Tematik/Tghk/TGKALBAR.GIF)
- 40 BPPHP-X (2009) Statistik Tahun 2008, Balai Pemantauan Pemanfaatan Hutan Produksi Wilayah Pontianak (Translated as: Statistics 2008 - Pontianak Region, Institute for the monitoring of the utilization of production forests, a division of the Ministry of Forestry). [http://bpphp10.dephut.go.id/index.php?option=com\\_content&view=category&id=49&Itemid=69](http://bpphp10.dephut.go.id/index.php?option=com_content&view=category&id=49&Itemid=69)
- 41 Landsat 7 satellite images, 2003, 2006, 2009.
- 42 Joint Decree of the Ministry of Agriculture and the Head of the National Land Body (BPN) No 2, 1999 on Location Permits, Article 4.
- 43 See Presidential Decree 32, 1990 and Ministry of Forestry and Plantations Decision 376, 1998
- 44 RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Section 7.4.
- 45 Plantation Act No. 18, 2004; Government Regulation No, 4, 2001; RSPO Certification Systems, Section 5.5, June 26, 2007, [http://www.rspo.org/files/resource\\_centre/RSPO%20certification%20systems.pdf](http://www.rspo.org/files/resource_centre/RSPO%20certification%20systems.pdf)

**46** Arie Rukmantara, "Government to sue firms over forest fires," Jakarta Post, Sept. 2, 2006.

**47** NASA/University of Maryland, MODIS Hotspot / Active Fire Detections, Data set, 2002, <http://maps.geog.umd.edu>

**48** Sarawak Land Consolidation and Rehabilitation Authority (SALCRA), "Oil Palm Hectarage as at 31.03.2008," <http://www.salcra.gov.my/index.aspx?pageid=11&link=2>; Assar Senari Group, "ASSAR Refinery Services Sdn. Bhd.," [http://www.assarsenarigp.com/index.php?do=assar\\_refinery\\_services\\_sdn\\_bhd](http://www.assarsenarigp.com/index.php?do=assar_refinery_services_sdn_bhd)

**49** See: SALCRA's description of Assar Refinery's contract with Cargill (<http://www.salcra.gov.my/>)

**50** Arie Rukmantara, "Government to sue firms over forest fires," Jakarta Post, Sept 2, 2006.

**51** RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Section 5.5.

**52** Unilever. Comprehensive Audit of Palm Oil Suppliers in response to Greenpeace's Burning of Borneo report. 2009. [http://www.unilever.com/images/sd\\_Unilever%20publishes%20verification%20report%20checking%20the%20validity%20of%20Greenpeaces%20Burning%20Up%20Borneo%20report\\_tcm13-196872.pdf](http://www.unilever.com/images/sd_Unilever%20publishes%20verification%20report%20checking%20the%20validity%20of%20Greenpeaces%20Burning%20Up%20Borneo%20report_tcm13-196872.pdf)

**53** WWF International, "Borneo: Treasure Island at risk," 2005, <http://assets.panda.org/downloads/treasureislandatrisk.pdf>

**54** See: Malaysian High Court ruling, Agi Ak Bungkong & Others v Ladang Sawit Bintulu Sdn Bhd, 2009, where the High Court held that the respective communities had proven Native Customary Rights and were returned their land and awarded damages and costs. Full decision available at [http://www.borneoproject.org/downloads/rh\\_agi\\_judgement\\_21012010.pdf](http://www.borneoproject.org/downloads/rh_agi_judgement_21012010.pdf)

**55** See the local Dayak blog at [www.dayaknation.com](http://www.dayaknation.com) for the most up-to-date reports on SALCRA-Dayak land conflicts and [www.borneoproject.org](http://www.borneoproject.org) for legal analysis.

**56** <http://www.cargill.com/corporate-responsibility/pov/palm-oil/sinar-mas/index.jsp>

**57** Cargill website: Cargill's response to allegations about Sinar Mas. <http://www.cargill.com/corporate-responsibility/pov/palm-oil/sinar-mas/index.jsp>. Accessed 4/26/2010

**58** U.S. CUSTOMS Trade Data 2008.

**59** Cargill's Vice-President of Corporate Affairs, Mark Murphy to Michael Brune, Executive Director of Rainforest Action Network. October 26, 2009.

**Cover:** The destruction of primary rainforest by Duta Palma. West Kalimantan, Borneo. Cargill was a key purchaser of palm oil from this notorious rainforest destroyer up until 2008. Photo: David Gilbert/RAN

**Pg. 3:** Cargill's PT Harpan Sawit Lestari palm oil mill and plantation. West Kalimantan, Borneo. 2009. Photo: David Gilbert/RAN

**Pg. 5:** The destruction of primary rainforests for palm oil is a critical threat to Borneo's forest peoples, biodiversity, and the climate. Palm oil expansion, West Kalimantan. 2009. Photo: David Gilbert/RAN

**Pg. 8:** Friends of the Earth Indonesia (WAHLI) stage the first-ever protest outside a meeting of the RSPO in Nusa, Bali in November 2008. Photo: Brihannala Morgan

**Pg. 9:** Palm oil fruit bunches harvested by a day laborer. Sumatra, Indonesia. Photo: David Gilbert

**Pg. 14:** Land clearing at PT Indo Sawit Kekal. 2010. Photo: Kontak Masyarakat Borneo

**Pg. 15:** Land clearing at PT Indo Sawit Kekal. 2010. Photo: Kontak Masyarakat Borneo

**Pg. 16:** Land clearing at PT Indo Sawit Kekal. 2010. Photo: David Gilbert/RAN

**Pg. 17:** Pak Ladup at PT HSL, 2009. Photo: David Gilbert

**Pg. 18:** Pak Rusni at PT ISK, 2009, Pak Gladu at PT HSL, 2009. Photos: David Gilbert;

Oil palm planted in an ecologically sensitive riparian zone. PT Harapan Sawit Lestari, 2010. Photo: Kontak Masyarakat Borneo

**Pg. 19:** Forest destruction for palm oil expansion. Borneo, 2009. Photo: David Gilbert/RAN

**Pg. 21:** Land clearing at PT Indo Sawit Kekal. 2010. Photo: Kontak Masyarakat Borneo

**Pg. 23:** Mature palm oil plantation at Cargill's PT Harapan Sawit Lestari. Borneo, 2009. Photo: David Gilbert/RAN

**Pg. 26:** Crude palm oil tanker truck inside Cargill's PT Harapan Sawit Lestari plantation. Borneo, 2009. Photo: David Gilbert/RAN

**Pg. 27:** NASA satellite image of forest clearing for a palm oil plantation in Malaysian Borneo.

**Pg. 28:** Open burning in a newly cleared rainforest at Duta Palma's PT Ledo Lestari palm oil plantation. West Kalimantan, Borneo. 2009. Photo: David Gilbert/RAN

**Pg. 29:** Rainforest destruction at Duta Palma's PT Ledo Lestari palm oil plantation. West Kalimantan, Borneo. 2009. Photo: David Gilbert/RAN

**Pg. 30, 31:** Remaining forest cover inside Cargill's PT Harapan Sawit Lestari palm oil plantation. West Kalimantan, Borneo. 2009. Photo: David Gilbert/RAN

**Pg. 33:** Orangutans are one of many unique and endangered species found in Borneo and Sumatra. Photo: John Werner

## ACKNOWLEDGEMENTS

RAN would like to thank Kontak Masyarakat Borneo, our allies on the ground in Indonesia, who joined us in conducting the field investigations of Cargill's disclosed and undisclosed plantations. Without them, this report would not be possible.

This report is dedicated to the communities directly impacted by Cargill's plantations. It is our hope that this report will shed light on their struggles and result in justice for all who inhabit the forests and peatlands of Indonesia and Malaysia.

Report Design: Toben Dilworth / RAN

# APPENDIX I: CTP HOLDINGS LETTER



## MEDIA RELEASE

1 Nov 2005

FOR IMMEDIATE RELEASE [www.cargill.com/today/press.htm](http://www.cargill.com/today/press.htm)

#200531

### CONTACT:

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## Cargill and Temasek Holdings invest in palm plantations in Indonesia and Papua New Guinea

**Singapore - 01 November 2005** - Cargill and Temasek Holdings have acquired CDC Group plc's palm plantation interests in Indonesia and Papua New Guinea. These include a plantation in Kalimantan (Indonesia) and a majority shareholding in four other plantations in the region. One of these plantations is located in Sumatra (Indonesia), with the other three in Higaturu, Milne Bay and Poliamba (Papua New Guinea).

The new venture is registered in Singapore as CTP Holdings Pte Ltd (CTP). Cargill is the majority shareholder of CTP and will assume managerial and operational responsibilities. Cargill's existing palm plantation in Sumatra will now become part of CTP.

"Palm oil demand is increasing globally and this acquisition represents a significant development for Cargill in the plantation business", says Paul Conway, head of Cargill's business in Asia and chairman of CTP Holdings. "The addition of these plantations is critical to diversifying our edible oils portfolio and will allow us to meet our customers' requirements for supply chain integrity and a high quality supply of palm oil and associated products."

Demand for palm oil has almost doubled in the past decade. Global consumption now stands at about 30 million tonnes, making palm the world's largest vegetable oil crop after soya.

Comments Tan Suan Swee, Managing Director, Investments, Temasek Holdings: "We are pleased to have this opportunity to participate in the growing global palm oil market. We will tap into the significant experience of Cargill, our partner in this venture in the global oils business, as well as its reputation for responsible plantation management."

- ends -

### Editor's Notes

#### Cargill

Cargill is an international provider of food, agricultural and risk management products and services. With 124,000 employees in 59 countries, the company is committed to using its knowledge and experience to collaborate with customers to help them succeed. For more information, visit <http://www.cargill.com>

#### Temasek Holdings

Temasek Holdings is an Asian investment company headquartered in Singapore. Established in 1974, it manages a diversified global portfolio of US\$63 billion, spanning Singapore, Asia and the OECD economies. Its investments are in a various industries: telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology, as well as pharmaceuticals and biosciences. For more information, visit <http://www.temasekholdings.com.sg>

#### CDC Group plc.

CDC Group plc is the UK government's instrument for investing in the private sector in developing economies. For more information, visit <http://www.cdcgroup.com>

# APPENDIX II: ADDITIONAL EVIDENCE OF CARGILL PLANTATION OWNERSHIP



Manis Mata, 07 November 2006

Nomor : 177 / HSLG/ EHS/ XI / 2006  
Lamp. : 4 (empat) lembar data base (lamp 1)  
2 (dua) lembar daftar sarana dan prasarana (lamp 2)  
4 (empat) lembar foto kegiatan antisipasi dan proses pemadaman kebakaran (lamp 3)  
Perihal : **Laporan kebakaran PT. Harapan Sawit Lestari Bulan Oktober 2006**

Kepada Yth.  
Kepala Dinas Perkebunan  
Kabupaten Ketapang  
Di -

## Ketapang

Dengan hormat,

Bersama ini kami sampaikan laporan kebakaran yang terjadi di PT. Harapan Sawit Lestari di Kec. Manis Mata, Kab. Ketapang, Propinsi Kalimantan Barat sampai bulan **Oktober 2006** sebagai berikut :

1. Luas lahan yang terbakar pada bulan Januari s/d Oktober 2006 : 711 Ha.
2. Jumlah tanaman yang terbakar pada bulan Januari s/d Oktober 2006 : 78.898 Pokok
3. Jumlah tenaga kerja yang dipakai pada bulan Januari s/d Oktober 2006 : 2.726 Orang
4. Waktu pemadaman kebakaran pada bulan Januari s/d Oktober 2006 : 883.270 Menit

Sedangkan kebakaran yang terjadi pada bulan Oktober 2006 adalah :

1. Luas lahan yang terbakar : 157 Ha.
2. Jumlah tanaman yang terbakar : 23.626 Pokok
3. Jumlah tenaga kerja yang dipakai : 731 Orang
4. Waktu pemadaman kebakaran : 198.420 Menit

Keterangan lebih lanjut terlampir (lamp 1)

Sedangkan Perlengkapan sarana dan prasarana yang kami miliki dan kami gunakan terlampir (lampiran 2).

Upaya - upaya yang telah kami lakukan selama ini secara konsisten untuk mencegah dan menanggulangi kebakaran adalah sebagai berikut :

1. Membuat sekat antar block dan enclave (lahan masyarakat) agar kebakaran dapat dilokalisir
2. Setiap Estate memiliki petugas jaga api dan melakukan patroli 24 jam untuk mendeteksi kebakaran lebih dini
3. Melakukan koordinasi dengan masyarakat sekitar kebun.
4. Melakukan pemantauan dini melalui menara api (menara sebanyak 7 unit dengan ketinggian 10 - 15 meter)
5. Menyediakan portable fire pump (Onga) sebanyak 7 (tujuh) unit dan semuanya sudah didistribusikan ke Estate. (Ctt. Satu unit portable fire pump (Onga) dalam perbaikan)
6. Menyiapkan 2 unit tanker air dengan kapasitas 14 ton siap pakai dan bila keadaan mendesak ditambah tanker CPO dengan kapasitas 14 dan 21 ton.

### **PT Harapan Sawit Lestari**

**Head Office - Manis Mata**

Kec. Manis Mata

Kab. Ketapang

Prop. Kalimantan Barat

Tel. (62) 21-3002-2988

Fax: (62) 21-3002-2987

Email: [General\\_Ctp@ctpholdings.com](mailto:General_Ctp@ctpholdings.com)

**Pangkalan Bun Office**

Jl. Maljo 41

Kel. Madurejo

Pangkalan Bun 74111

Tel. (62) 532-300-27

Fax: (62) 532-300-27

**Pontianak Office**

Jl. Sulawesi No. 57

Kel. Parit Tokaya

Pontianak 78121

Tel. (62) 561-769-464/726

Fax: (62) 561-746-711

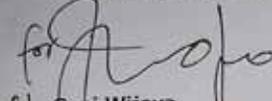


A Cargill Company



Foto-foto yang mendukung kegiatan kami, kami sampaikan terlampir (lampiran 3).  
Demikian laporan kejadian kebakaran ini kami sampaikan untuk dijadikan periksa.

**PT. Harapan Sawit Lestari**

  
**Gani Wijaya**  
General Affair Director

**Tembusan disampaikan kepada Yth :**

1. Kepala Bapedalda Propinsi Kalimantan Barat di **Pontianak**
2. Kepala Dinas Perkebunan Kalimantan Barat di **Pontianak**
3. Bapak Bupati Kabupaten Ketapang di **Ketapang**
4. Kepala Dinas Perindustrian dan Perdagangan di **Ketapang**
5. Kepala ESDM Kabupaten Ketapang di **Ketapang**
6. Bapak Camat Manis Mata di **Manis Mata**
7. Bapak Camat Air Upas di **Air Upas**
8. Bapak Kapolsek Manis Mata di **Manis Mata**
9. Bapak Kapolsek Air Upas di **Air Upas**
10. Bapak Danramil Manis Mata di **Manis Mata**
11. Bapak Danramil Air Upas di **Air Upas**

**PT Harapan Sawit Lestari**

**Head Office - Manis Mata**  
Kec. Manis Mata  
Kab. Ketapang  
Prop. Kalimantan Barat  
Tel: (62) 21-3002-2988  
Fax: (62) 21-3002-2987  
Email: General\_Ctp@ctpholdings.com

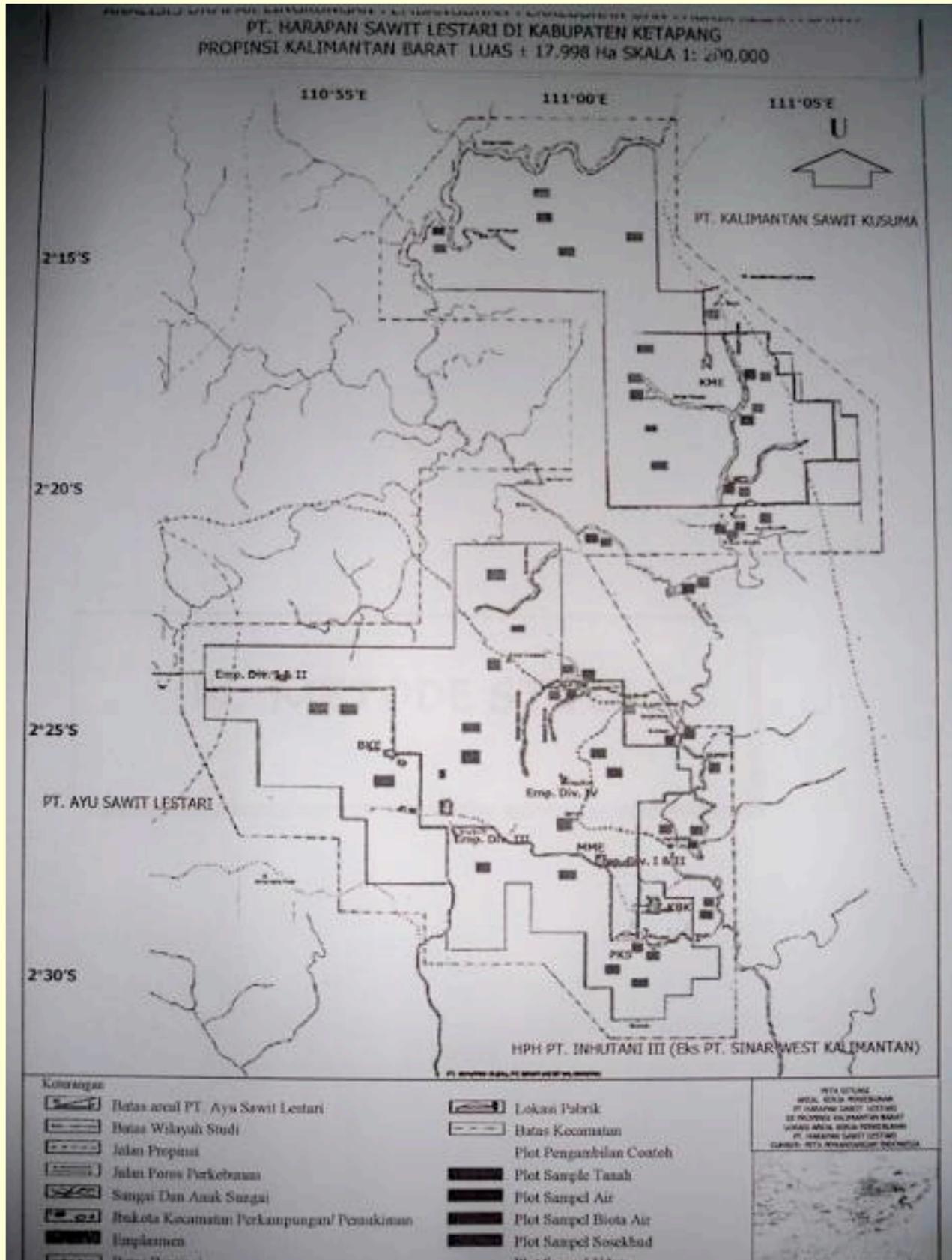
**Pangkalan Bun Office**  
Jl. Maljo 41  
Kel. Madurejo  
Pangkalan Bun 74111  
Tel: (62) 532-300-27  
Fax: (62) 532-300-27

**Pontianak Office**  
Jl. Sulawesi No. 57  
Kel. Parit Tokaya  
Pontianak 78121  
Tel: (62) 561-780-464/726  
Fax: (62) 561-746-711

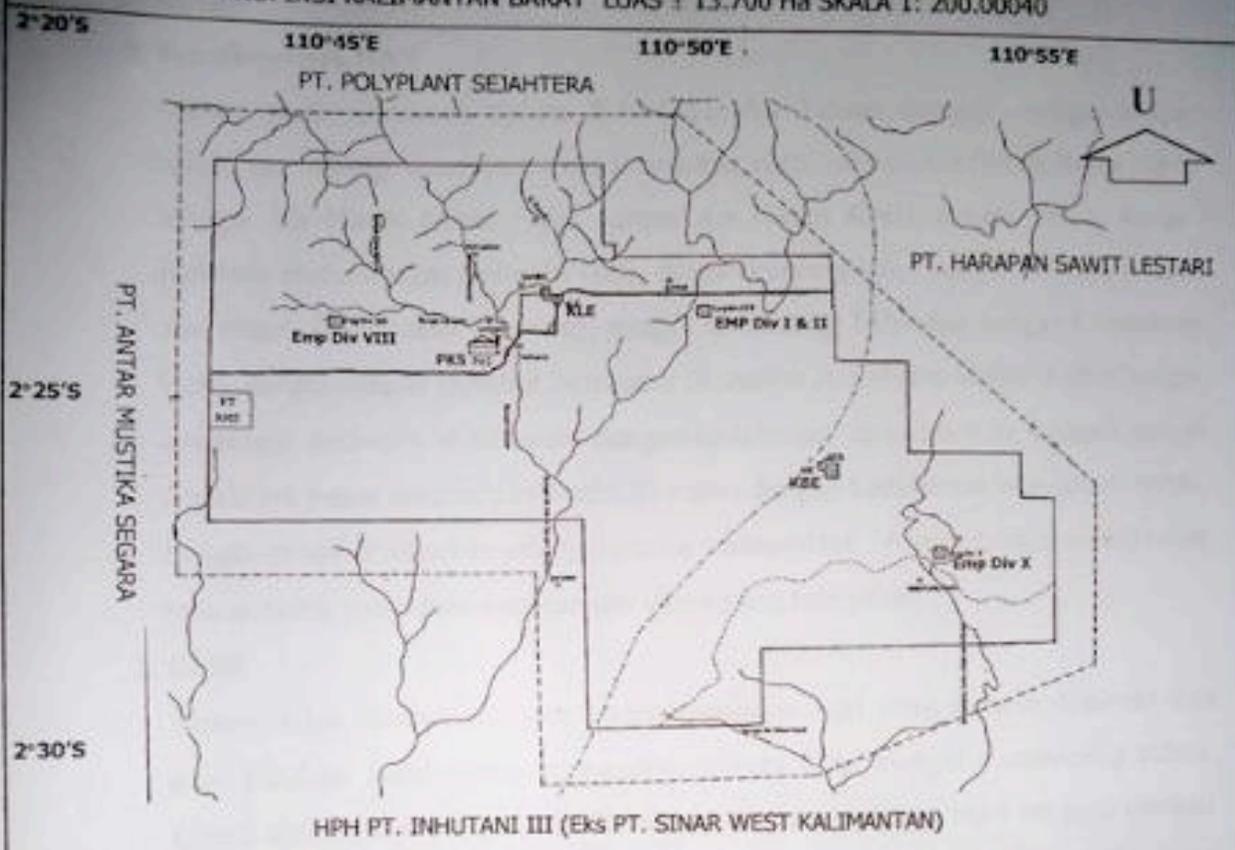


A **Cargill** Company

# ENVIRONMENTAL IMPACT ASSESSMENT MAPS



ANALISIS DAMPAK LINGKUNGAN PEMBANGUNAN PERKEBUNAN DAN PABRIK KELAPA SAWI  
 PT. AYU SAWIT LESTARI DI KABUPATEN KETAPANG  
 PROPINSI KALIMANTAN BARAT LUAS ± 13.700 Ha SKALA 1: 200.000/40



Keterangan

- |  |                                   |  |   |
|--|-----------------------------------|--|---|
|  | Batas areal PT. Ayu Sawit Lestari |  | Ibukota Kecamatan Perkampungan/ Pemukiman |
|  | Batas Wilayah Studi               |  | Englasmen                                 |
|  | Jalan Propinsi                    |  | Batas Propinsi                            |
|  | Jalan Poros Perkebunan            |  | Lokasi Pabrik                             |
|  | Sungai Dan Anak Sungai            |  | Batas Kecamatan                           |

PETA SITUASI  
 AREAL KERJA  
 PERKEBUNAN  
 PT. AYU SAWIT LESTARI  
 DI PROPINSI KALIMANTAN  
 BARAT  
 LOKASI AREAL KERJA  
 PERKEBUNAN  
 PT. AYU SAWIT LESTARI  
 SUMBER: PETA  
 PEMANDANGAN  
 INDONESIA



Sumber:  
 \*Perampangan perkebunan kelapa sawit seluas 1.000 Ha dan kakao seluas 2.000 Ha di Kecamatan MK 180/14 1470000 tanggal 14 Desember 1991 Menteri Pertanian A.S. Daniluk, Jenderal Perkebunan  
 \*Perampangan Perkebunan kelapa sawit seluas 5.000 Ha meliputi daerah perkebunan di Kecamatan MK 180/14 dan Kecamatan Merauh dan Merauh Utara Kabupaten Ketapang Kalimantan Barat tanggal 1 September 1993 Menteri Pertanian A.S. Daniluk Jenderal Perkebunan  
 BK 190/TA 703/00/93 Tanggal 7 Agustus 1993 Menteri Pertanian A.S. Daniluk Jenderal Perkebunan  
 \*Perampangan Perkebunan Kakao seluas ± 2.000 Ha untuk perkebunan kelapa sawit MK 180/14-1470000 tanggal 7 Oktober 1994 Dinas Perkebunan Kalimantan Barat  
 \*Data perkebunan KTR 180/14-1470000 Propinsi Kalimantan Barat, skala 1:500.000





# ADDITIONAL CTP PERMITS

Tabel 4.1. Perizinan Yang dimiliki PT. AYU SAWIT LESTARI

No	Jenis Perizinan	Nomor dan Tanggal	Pemberi Izin
1	Lokasi Pengarahahan Lahan	525/0166/II-BAPPEDA/tanggal 10 Januari 1989	Gubernur Kepala Daerah Tingkat 1 Kalimantan Barat
2	Revisi Lokasi Pengarahahan lahan	525/4481/II-BAPPEDA tanggal 15 Agustus 1989	Gubernur Kepala Daerah Tingkat 1 Kalimantan Barat
3	Persetujuan Prinsip Usaha Perkebunan Karet seluas 2.000 ha dan Kakao seluas 2.000 ha di Kecamatan Marau, Kab. Ketapang Propinsi Kalimantan Barat	HK.350/E4.347/04.90	Menteri Pertanian u.b. Direktur Jenderal Perkebunan
4	Rekomendasi Lahan untuk Perkebunan Karet dan Kakao	591/52/BAPPEDA tanggal 14 Juli 1990	Bupati Kepala Daerah Tk. II Ketapang
5	Pencadangan Tanah dan izin lokasi seluas ± 5.000 ha untuk perkebunan karet dan Kakao	304 Tahun 1990 Tanggal 26 Juli 1990	Gubernur Kepala Daerah Tk. I Kalimantan Barat
6	Perpanjangan persetujuan prinsip usaha perkebunan karet seluas 2.000 ha dan kakao seluas 2.000 ha di Kecamatan Marau, Kab. Ketapang Propinsi Kalimantan Barat	HK.350/E4.347/0490 Tanggal 14 Nopember 1991	Menteri Pertanian u.b. Direktur Jenderal perkebunan
7	Pengarahahan tambahan untuk pengembangan perkebunan minyak sawit.	525/1392/II-Bappeda tanggal 6 April 1993	Gubernur Kepala daerah Tk. I Kalimantan Barat
8	Persetujuan prinsip usaha perkebunan kelapa sawit seluas 8.000 ha terpadu dengan unit pengolahannya dengan kapasitas 60 ton TBS/jam di Kecamatan Marau dan Manismata	HK.350/E4.705/09.93 Tanggal 9 September 1993	Menteri Pertanian u.b. Direktur Jenderal perkebunan
9	Pemberian izin lokasi untuk Keperluan perkebunan kelapa sawit	02 tahun 1993 tanggal 8 Desember 1993	Kepala kantor Pertanahan Kabupaten Ketapang
10	Izin Pembukaan Lahan Perkebunan pada Kawasan APL	522/1969/Ekon Tanggal 17 Mei 1994	Gubernur Kepala daerah Tk. I Kalimantan Barat

Tabel 4.2. (lanjutan)

5.	Perpanjangan Persetujuan Ijin Prinsip Usaha Perkebunan kelapa hibrida seluas 3.000 ha dan karet 1.500 ha di Kecamatan Manis mata atas nama PT Harapan Hibrida Kalbar	No.HK.350/E4.899/11.89 tanggal 9 Maret 1988	Menteri Pertanian U.b. Direktur Jenderal Perkebunan
6.	Surat Keputusan Pemberian Ijin Hak Guna Usaha (HGU) seluas 1.020 atas nama PT. Harapan Hibrida Kalbar	No. 26/HGU/BPN/90 tanggal 19 Agustus 1990	Badan Pertanahan Nasional
7.	Surat Keputusan Pemberian Ijin Hak Guna Usaha (HGU) seluas 2.040 atas nama PT. Harapan Hibrida Kalbar	No. 20/HGU/BPN/93 Tanggal 19 Agustus 1993	Badan Pertanahan Nasional
8.	Persetujuan Perubahan Jenis Komoditi Tanaman menjadi kelapa sawit seluas 2.500 ha dan kelapa hibrida 400 ha atas nama PT. Harapan Hibrida Kalbar	No.HK.350/E5.697/10.94 24 Oktober 1994	Menteri Pertanian U.b. Direktur Jenderal Perkebunan
9.	Persetujuan Permohonan Penyesuaian Luas Tanaman kelapa sawit menjadi seluas 4.100 ha dan kelapa hibrida seluas 50 ha tanpa unit pengolahan kelapa sawit atas nama PT. Harapan Hibrida Kalbar	No.HK.350/E5.246/03.97 31 Maret 1997	Menteri Pertanian U.b. Direktur Jenderal Perkebunan
10	Pemberian izin pemindahan Hak Guna Usaha atas tanah terletak di Kab. Ketapang Prop. Kalbar	No. 7-VIII/1999 13 Oktober 1999	Menteri Agraria/ BPN. Negara Kepala

Sumber : PT. Harapan Sawit Lestari, 2002

... yang merupakan penyusunan perencanaan yang meliputi pengkajian pembangunan proyek yang meliputi pengkajian kelayakan teknis, ekonomi finansial dan sosial budaya.

**b. Perizinan**

Perizinan dalam rangka pembangunan perkabunan dan pabrik pengolahan kelapa sawit PT. Harapan Sawit Lestari telah dimulai pada tahun 1987. Untuk memperoleh dukungan legalitas dari pemerintah. Adapun izin-izin yang telah diperoleh dapat dilihat dalam tabel 4.1 dan 4.2 sebagai berikut :

**Tabel 4.1.** Perizinan yang Dimiliki PT. Harapan Sawit Lestari

No	Jenis Perizinan	Nomor dan Tanggal	Pemberi Izin
1	Surat Pengarahan Lahan untuk perkebunan kelapa sawit pola PBSN atas nama PT. HSL	No 525/1393/II-BAPPEDA Tgl. 6 April 1993	Gubernur Kepala daerah TL 1 Kalimantan Barat
2	Pemberian Izin Lokasi Untuk Perkebunan Kelapa Sawit atas nama PT. HSL	No 01 Tahun 1993 Tgl 8 Desember 1993	Kantor Pertanahan Nasional Kab. Ketapang
3	Pemberian Izin Lokasi untuk perkebunan Kelapa sawit atas nama PT. HSL	No 06 Tahun 1994 Tgl. 8 Des 1994	Kantor Pertanahan Nasional Kab. Ketapang
4	Surat persetujuan Prinsip Usaha Perkebunan Kelapa sawit seluas 8.000 ha di Kec. Manis Mata Kab. Ketapang atas nama PT HSL	No.HK.350/E/4.706/09.93 Tgl. 9 Sept 1993	Menteri Pertanian u.b Dirjen Perkebunan
5	Surat Perpanjangan Persetujuan Prinsip Usaha Perkebunan Kelapa sawit seluas 8.000 Ha di Kec. Manis Mata Kab. Ketapang atas nama PT. HSL	No. HK.350/E5.G13/09.94 Tgl. 30 Sept 1994	Menteri Pertanian u.b Dirjen Perkebunan
6	Persetujuan Pencadangan Areal Hutan di propinsi Kalimantan Barat seluas ± 11.260 Ha untuk budidaya perkebunan atas nama PT. HSL	No.487/Menhut-VII/95 Tgl 31 Maret 1995	Menteri Kehutanan Dep. Kehutanan

IV - 6

*raian Rencana Usaha atau Kegiatan*

**ANALISIS DAMPAK LINGKUNGAN  
PT. HARAPAN SAWIT LESTARI**

**Tabel 4.1. (lanjutan)**

7	Surat Perpanjangan Persetujuan Prinsip Usaha Perkebunan yang ke II tahun ke III untuk kelapa sawit seluas 8.000 Ha di Kec. Manis Mata Kab. Ketapang atas nama PT. HSL	No. HK.350/E5.789/1095 Tgl 30 Okt. 1995	Menteri Pertanian u.b Dirjen Perkebunan
8	Pemberian Izin Lokasi untuk keperluan pembangunan Pabrik minyak sawit (CPO) di Desa manis Mata seluas 27 Ha atas nama PT. HSL	No. 18 tahun 1996 Tgl 4 Sept 1996	Kantor Pertanahan Nasional Kab. Ketapang
9	Pemberian izin lokasi untuk keperluan perkebunan kelapa sawit seluas ± 13.473 Ha di Kec. Manis Mata atas nama PT. HSL	No. 20 Tahun 1996 Tgl. 10 Sept. 1996	Kantor Pertanahan Nasional Kab. Ketapang
10	Surat Pembaharuan Persetujuan Prinsip Usaha Budidaya Perkebunan Kelapa Sawit di Kec. Manis Mata Kab. Ketapang atas nama PT. HSL	No HK.350/E5.196/03.97 Tgl 23 Maret 1997	Menteri Pertanian u.b Dirjen Perkebunan
11	Pelepasan Kawasan Areal Hutan	No.739/Kpts/II/1996 Tahun 1996	Menteri Kehutanan Dep. Kehutanan
12	Pemberian HGU atas tanah terletak di Kabupaten Ketapang Prop. Kalbar (3.442 Ha)	No. 106/HGU/BPN/97 Tanggal 26 Agustus 1997	Menteri Nerara Agraria/Kepala BPN
13	Pemberian HGU atas tanah terletak di Kabupaten Ketapang Prop. Kalbar (5.137 Ha)	No. 143/HGU/BPN/97 Tanggal 25 Nopember 1997	Menteri Nerara Agraria/Kepala BPN
14	Izin tetap usaha Budidaya Perkebunan	No. 131/KB.120/SK/Dj Bur/ 12-97 Tanggal 7 April 1999	Dirjen Perkebunan
15	Akte Notaris perubahan nama HKK menjadi HSL	No. Tgl.	

Sumber : PT. Harapan Sawit Lestari , 2002

**Tabel 4.1. (Lanjutan)**

11	Rekomendasi Pelepasan Kawasan Hutan seluas ± 9.700 ha untuk Perkebunan Kelapa Sawit	599/A/VII-4/1994 tanggal 7 Oktober 1994	Ditjen INTAG Departemen Kehutanan
12	Perpanjangan Persetujuan Prinsip Usaha Perkebunan yang I tahun ke VI untuk Kelapa Sawit seluas 8.000 ha terpadu dengan unit pengolahannya dengan kapasitas 60 ton TBS/jam di Kecamatan marau dan Manismata	HK. 350/ES.676/10.94 Tanggal 19 Oktober 1994	Menteri Pertanian u.b. Direktur Jenderal perkebunan
13	Perpanjangan Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit	07 Tahun 1994 Tanggal 8 Desember 1994	Kepala Kantor Pertanahan Kabupaten Ketapang
14	Perpanjangan Persetujuan Prinsip Usaha Perkebunan yang ke II tahun ke III untuk Kelapa Sawit seluas 8.000 ha terpadu dengan unit pengolahannya dengan kapasitas 60 ton TBS/jam di Kecamatan Marau dan Kecamatan Manismata	HK. 350/ES.796/10.95 Tanggal 30 Oktober 1995	Menteri Pertanian u.b. Direktur Jenderal perkebunan
15	Permohonan Pelepasan Areal untuk Perkebunan Kelapa Sawit	278/a/VII-4/1996 tanggal 26 Maret 1996	Ditjen INTAG Departemen Kehutanan
16	Informasi lahan Tambahan sebesar 4000 Ha	No.125/2733/II-Bappeda/1998 Tanggal 31 Juli 1998	Gubernur KDH TK. I Kalimantan Barat

Sumber : Data PT. Ayu Sawit Lestari, 2002

**c. Kegiatan Sosialisasi Provek**

**Tabel 4.2 Perizinan yang dimiliki oleh PT. Harapan Sawit Lestari Kalbar (Exs HHK)**

No	Jenis Perizinan	Nomor dan Tanggal	Pemberi Izin
1.	Pengarahsan Lahan untuk perkebunan karet dan kelapa hibrida	No. 525/6595/II-BAPPEIDA tanggal 17 Agustus 1987	Gubernur Kepala Daerah Propinsi Kalimantan Barat
2.	Persetujuan Ijin Prinsip Usaha Perkebunan Kelapa hibrida seluas 3000 ha dan karet 1500 ha di Kecamatan Manis Mata, atas nama PT Harapan Hibrida Kalbar	No. K.350/E4.706/03.88 tanggal 9 Maret 1988	Menteri Pertanian U.b.Direktur Jenderal Perkebunan
3.	Pencadangan Tanah 5± 4.525 ha untuk perkebunan karet dan kelapa hibrida atas nama PT. Harapan Hibrida Kalbar	No. 139, tanggal 11 Mei 1988	Gubernur Kepala Daerah Propinsi Kalimantan Barat
4.	Ijin Lokasi penggunaan lahan seluas ± 4.525 ha untuk proyek perkebunan karet dan kelapa Hibrida, atas nama PT Harapan Hibrida Kalbar	No. 267, Tanggal 6 Agustus 1988	Gubernur Kepala Daerah Propinsi Kalimantan Barat

IV - 7

*Uraian Rencana Usaha atau Kegiatan*



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