

Smallholders in Malaysia

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Smallholders are mean family producing palm oil from less than 40 ha of land. In practice, people in this smallholder category are often also holders of customary rights. At present, the main types of arrangements for smallholders are Independent smallholders and organized smallholders. Independent smallholders are growers who cultivate palm oil without direct assistance from government or any private companies. Organized smallholders basic concept is government agency provides technical assistance, agriculture inputs and sometimes partially subsidized. Example for successfully organized smallholders in Malaysia is FELDA. Smallholders are not minor players in oil palm industries. In two countries of world oil palm major production, Malaysia and Indonesia, smallholders account for 35-40% of the total area planted and as much as 30% of the output.