Sustainability Performance of Monoculture and Agroforestry Palm Oil Production Systems of Smallholders in Sarawak (Malaysia)

Lukas Kliewe¹, Rainer Weisshaidinger², Lukas Baumgart³, Alexander Follmann⁴

¹University of Cologne, International Master of Environmental Sciences (IMES),
²Research Institute of Organic Agriculture (FiBL), Sustainability Assessment & International Cooperation, Austria
³Research Institute of Organic Agriculture (FiBL) Switzerland, Socio-economic Sciences,
⁴University of Cologne, Institute of Geography, Germany

Abstract

Palm oil is the world’s most important vegetable oil, and Malaysia and Indonesia dominate global export trade in crude palm oil with 85% of the world’s total. The oil palm’s incomparably high yield (3.5–4.0 t ha⁻¹ yr⁻¹) and the multiple use in food products, soap and industrial purposes, including biofuels, make it a highly valuable commodity. Sustainability in the palm oil industry is debated with growing concern due to ecological and social trade-offs, e.g. destruction of tropical forests, greenhouse gas emissions, land disputes and forced labour.

Using the SMART Farm Tool, we have comprehensively assessed the sustainability performance of 16 non-certified palm oil smallholdings in Sarawak (Malaysia). SMART is an indicator-based multi-criteria tool measuring the 58 sustainability (subtheme-)goals defined in the FAO-SAFA framework. The farmers were selected according to a snowball approach in two regions (1st and 4th division). The dominant cultivation system of the oil palm farms studied is monoculture. However, two of the 16 farms – one in each region – practice agroforestry (AF), which is seen as a strategy to improve environmental sustainability in palm oil production.

As for monoculture systems, the goal achievements per SAFA-goal show that sustainability performance is largely lacking, and usually ranges between 20% and 60% goal achievement. Good Governance and Social Well-Being are dimensions which in particular show low scores at all observed farms. One AF-farm performs equally in all dimensions compared to monocrop farms. This is due a relatively small proportion and a low diversity of the AF-system, as well as the use of mineral fertiliser and pesticides. In contrast, the second AF-farm, which does not use chemical inputs, performs better in all ecological and interestingly in most economic subthemes ranging from 60% to 89% and 23% to 97%.

These findings underscore the need to improve the sustainability of mono-cropping palm oil production not only to reduce ecological and social trade-offs, but also to enhance the economic resilience of smallholders. Although controversially discussed in scientific literature, agroforestry appears to be a potentially more sustainable strategy, especially for smallholders, but that depends on the setting.

Keywords: Agro-forestry, palm oil, Sarawak/Malaysia, smallholder, SMART-Farm Tool, sustainability, sustainability assessment

Contact Address: Rainer Weisshaidinger, Research Institute of Organic Agriculture (FiBL), Sustainability Assessment & International Cooperation, Doblhoffgasse 7/10, 1010 Vienna, Austria, e-mail: rainer.weisshaidinger@fibl.org