



MIGHTY EARTH



# RAPID RESPONSE Palm Oil Report

Report 43  
February 2024



Prepared with support from

**MapHubs**



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## Cases identified using Planet and other spatial imagery

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## Supply chain information:

Supply chain information included in Rapid Response reports is based on the latest public versions of mill disclosures, recent export data, and/or company grievance logs. Mighty Earth encourages companies to send updated versions of mill disclosures as soon as they become available and to share any decision to suspend relations with a given group/company listed in those mill disclosures with [rapidresponse@mightyearth.org](mailto:rapidresponse@mightyearth.org).

Mighty Earth is now including biofuel companies and other manufacturers in the supply chain tables of Rapid Response reports, as these companies have both direct and indirect trading relationships with groups highlighted in these reports and should be filing grievances on these cases. These companies are listed in the "Supply Chain Information" tables.

# New Case

## Group: Alas Kusuma

### PT Kusuma Alam Sari

Concession location: (0.18497, 109.79446)

#### Deforestation and/or peat development

Report	Forest Loss/Clearance Preparation (ha)	Peat development inc forest areas (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 43	-	~1,300	-	-	Jan 2016- Dec 2022
		107			Dec 2022- Apr 2023

Satellite imagery (see below) shows that between December 2016 and December 2022 there was a total of ~1,300 ha of peat development (inc forest areas) in the PT Kusuma Alam Sari concession (Source: Planet Inc. 2016-2022)

Satellite imagery (see below) shows that between December 2022 and April 2023 there was a total of 107 ha of peat development (inc forest areas) in the PT Kusuma Alam Sari concession (Source: Planet Inc. 2022-23)

## Supply Chain Information

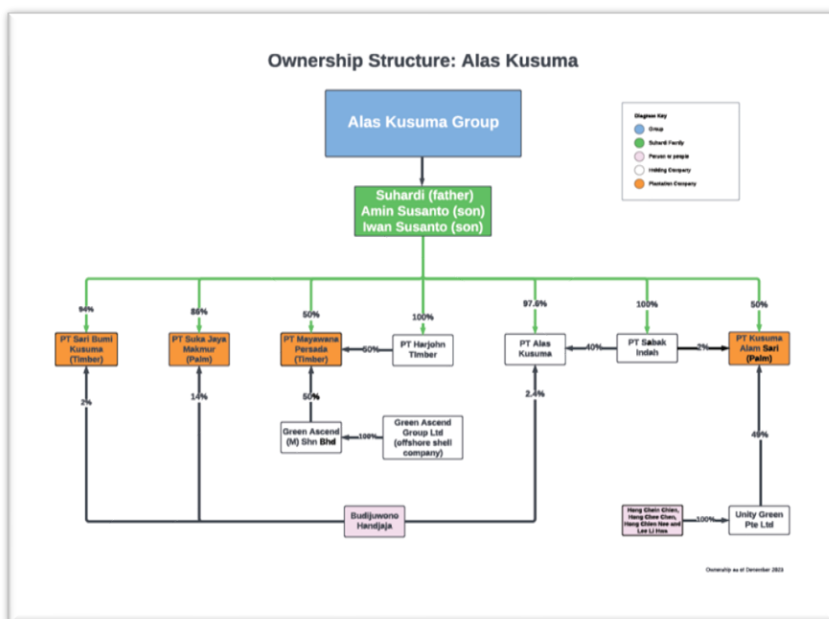
Company/Group	Trader	Biofuel / other manufacturers	Consumer Brand
<p><b>KPN</b></p> <p>(update to report: suspended Alas Kusuma Dec 2023)</p>	<p>AAK, COFCO Int., Fuji Oil, Itochu, Musim Mas, Olam, Pacific Inter-Link (PIL),</p>	<p>Barry Callebaut, Biesterfeld Spezialchemie, Neste, Oleon, Stearinerie, Symrise, Zschimmer &amp; Schwarz</p>	<p>Colgate, Danone, Hershey, Kellogg, Meg Snow, Moldalez, P&amp;G, PZ Cussons, PepsiCo, Reckitt Benckiser, Dubois, Unilever, Vandemoortele</p>
<p><b>Tunas Baru Lampung</b></p> <p>(FFB link to Alas Kusuma TBD)</p>	<p>COFCO Int., Fuji Oil</p>	<p>Barry Callebaut, Bisterfeld Spezialchemie, Innospec, Symrise, Zschimmer &amp; Schwarz</p>	<p>Avon, General Mills, Kellogg, Mondalez, P&amp;G, PepsiCo, Reckitt Benckiser</p>
<p><b>PT Pundi Lahan Khatulistiwa</b></p> <p>(update to report: suspended Alas Kusuma Nov 2022)</p>	<p>ADM, Itochu, LDC, Musim Mas, Wilmar</p>	<p>BASF, Barry Callebaut, Bisterfeld Spezialchemie, Innospec, Nikko Chemicals, Oleon, Searinerie Dubois, Symrise, Zschimmer &amp; Schwarz</p>	<p>Avon, Friesland Campina, General Mills, Hershey, Kellogg, Nisshin Oillio, P&amp;G, PZ Cussons, PepsiCo, Reckitt Benckiser, Unilever, Upfield</p>
<p><b>PT Cipta Tumbuh Berbuah</b></p> <p>(FFB link to Alas Kusuma TBD)</p>	<p>ADM, Sime Darby</p>	<p>Barry Callebaut, Oleon, Symrise, Zschimmer &amp; Schwarz</p>	<p>Friesland Campina, General Mills, Kellogg, PZ Cussons, Reckitt Benckiser, Unilever, Upfield</p>
<p><b>PT Surya Borneo Indah</b></p> <p>(FFB link to Alas Kusuma TBD)</p>	<p>Not identified</p>	<p>Not identified</p>	<p>Avon</p>

## Background information on Ownership and the Concession

In August 2023, Mighty Earth filed a complaint against the Alas Kusuma Group with the Forest Stewardship Council (FSC) for violating the FSC Policy of Association including the conversion of forests, peatlands and other High Conservation Value (HCV) areas to timber and oil palm plantations. In December 2023, the FSC [accepted](#) the complaint.

Alas Kusuma's PT Mayawana Persada (timber plantations) has cleared 14,000 ha of forest between January and August 2023, making it the largest deforester in Indonesia with 4,970 ha cleared in July 2023 alone. Since 2018, the PT Mayawana Persada group has cleared over 30,000 ha of forest.

The Alas Kusuma Group also has two oil palm operations: PT Suka Jaya Makmur and PT Kusuma Alam Sari. In the PT Kusuma Alam Sari concession alone, we estimate that over 1,300 ha of peat was developed between January 2016 and December 2022 and, in 2023, an additional 107 ha of peat areas have been developed – see Planet imagery on following page.



PT Suka Jaya Makmur and PT Kusuma Alam Sari relies on external sales of Fresh Fruit Bunches (FFB) from its oil palm operations as the group does not own any palm oil mills. Aidenvironment's [October 2023 report](#) provides an 'overview of mills situated in close proximity to PT Kusuma Alam Sari and PT Sawit Jaya Makmur, outlining their NDPE policy status, and their responses regarding any potential connections with Alas Kusuma's palm oil business operations.'

The report states:

'AidEnvironment obtained private information indicating that Alas Kusuma supplies FFB to **KPN's** PT Graha Agro Nusantara and **Tunas Baru Lampung's** PT Bumi Perkasa Gemilang. Despite efforts to contact both parties for confirmation, no response has been received as of this report being written.'

'In 2021, investigations by an Indonesian NGO found that **Pundi Lahan Khatulistiwa** bought fresh fruit bunches from Alas Kusuma's PT Kusuma Alam Sari. However, direct communication with PT Pundi Lahan Khatulistiwa has not been established, making it impossible to confirm whether FFB from PT Kusuma Alam Sari are still being supplied to PT Pundi Lahan Khatulistiwa.'

'Potential Buyers of Alas Kusuma's Palm Oil' also include **PT Cipta Tumbuh Berbuah** and **PT Surya Borneo Indah**.

## Background information on Ownership and the Concession (cont.)

In December 2023, Mighty Earth contacted traders and refiners regarding this case and requested that they make investigations to whether the above mills/groups are in their supplier chain, and whether those mills are sourcing FFB from PT Suka Jaya Makmur and PT Kusuma Alam Sari.

A small number of traders replied stating that:

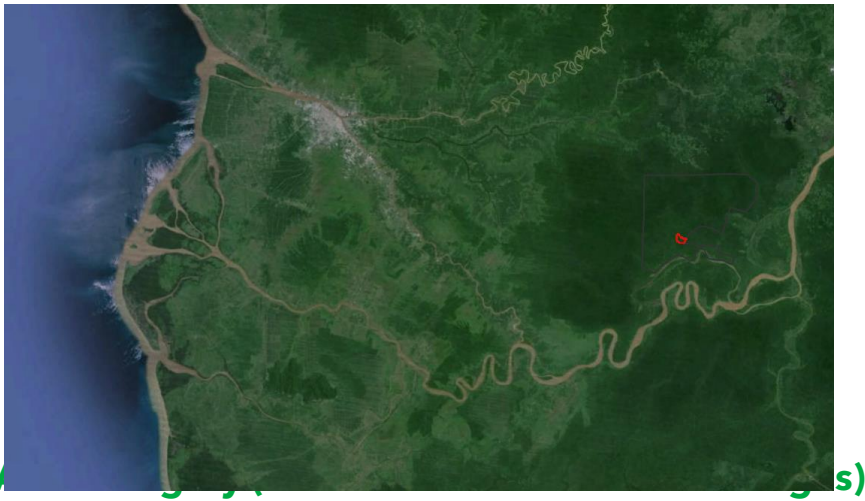
1. ***PT Pundi Lahan Khatulistiwa*** stopped sourcing from Alas Kusuma in November 2022;
2. KPN's ***PT Graha Agro Nusantara*** mill was sourcing from Alas Kusuma and that that KPN was investigating the case. In January 2024, we were informed that KPN decided to stop sourcing from PT Suka Jaya Makmur and PT Kusuma Alam Sari in December 2023.

Since at least November 2023, KPN Plantation's [website](#) shows 'Under Construction', so we have been unable to verify if KPN has filed this case as a grievance.

To date, only [Pacific Inter-Link \(PIL\)](#) and [Neste](#) have filed this case as a formal grievance in their grievance logs:

Further Mighty Earth has not received email responses from traders/refineries (listed on the previous page) that are sourcing **from Tuna Baru Lampung and/or PT Cipta Tumbuh Berbuah** and whether these mills is sourcing FFB from PT Suka Jaya Makmur and/or PT Kusuma Alam Sari. Hence, Mighty Earth is the filing of this case in Rapid Response report 43 as a formal grievance for investigation.

## Mapping analysis



Clearance location: (0.18497, 109.79446)

Date: December 2022



Date: April 2023



# New Case

## Group: Johor State government

### PIJ Plantation and Agriculture SB Ladang Nilam

Concession location: (1.893768, 103.985849)

#### Deforestation and/or peat development

Report	Forest Loss/Clearance Preparation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 43	239	-	-	-	June 2019-February 2021

Satellite imagery (see below) shows that between June 2019 and February 2021 there was a total of 239 ha of forest loss in the Ladang Nilam estate of PIJ Plantation and Agriculture SB (Source: Planet Inc. 2019-2021)



## Supply Chain Information

Company/Group		Mill	Trader	Biofuel / other manufacturers	Consumer Brand
PIJ Plantation and Agriculture (FFB sales only)		n/a	n/a	n/a	n/a
Kulim (Malaysia) Bhd	2019	n/a	Fuji Oil, KLK, LDC, Olam, Sime Darby	ISF	Avon, Ferrero, Friesland Campina, Hershey, Johnson & Johnson, Mars, Nestle, P&G, Reckitt Benckiser, Unilever
	2021	n/a	AAK, ADM, Bunge, Fuji Oil, KLK, Mewah, Sime Darby, Wilmar	ISF, Lipsa, Oleon,	Colgate, Danone, Ferrero, Friesland Campina, Hershey, Johnson & Johnson, Mars, P&G, PZ Cussons, Reckitt Benckiser, Upfield, Vandemoortele
	2023	n/a	ADM, Fuji Oil, IFFCO, KLK, Mewah, Pacific Inter-link (PIL), Sime Darby, Wilmar	ISF, Lipidos, Nisshin Oillio	Colgate, Danone, Ferrero, Friesland Campina, Hershey, Johnson & Johnson, Mars, P&G, PZ Cussons, Reckitt Benckiser, Upfield

## Background information on Ownership and the Concession

A recent review of 2023 MSPO certification reports by Mighty Earth has identified a recently developed oil palm concession in the State of Johor, Malaysia. The [March 2023 MSPO report](#) for PIJ Plantation and Agriculture Sdn Bhd discloses its Ladang Nilam oil palm estate as 'not having MPOB license due to the area still in immature stage' and provides a concession map – see following page.

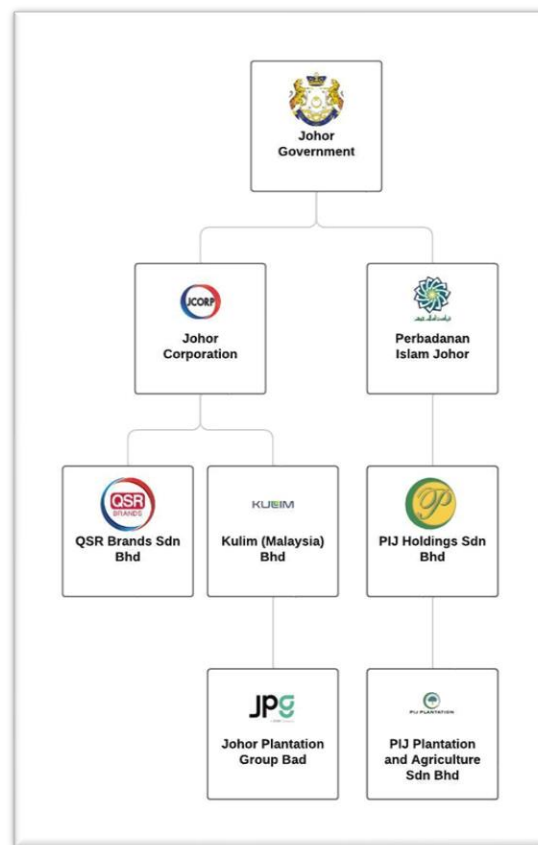
Planet imagery shows that the development took place between June 2019 and February 2021. As most of the NDPE palm oil industry have adopted a 31 December 2015 cut-off date as part of their policy implementation, this deforestation would be a violation of this cut-off date.

The MSPO report list 5 certified estates, totalling 4,089 hectares (ha), which are producing Fresh Fruit Bunches (FFB). The report does not reference any mill(s) owned by PIJ Plantation and Agriculture Sdn Bhd.

As shown by the group structure below, the Johor Government owns PIJ Plantation and Agriculture Sdn Bhd and Kulim (Malaysia) Bhd - which has 5 palm oil mills in Johor which are in the supply chain of numerous palm oil traders, refiners, and consumer brand companies – as listed on the previous page.

Johor Government also owns (through Johor Corporation) the majority shares in [QSR Brands](#), which operates a 'total of 1,354 KFC and Pizza Hut restaurants in Malaysia, Singapore and Brunei.'

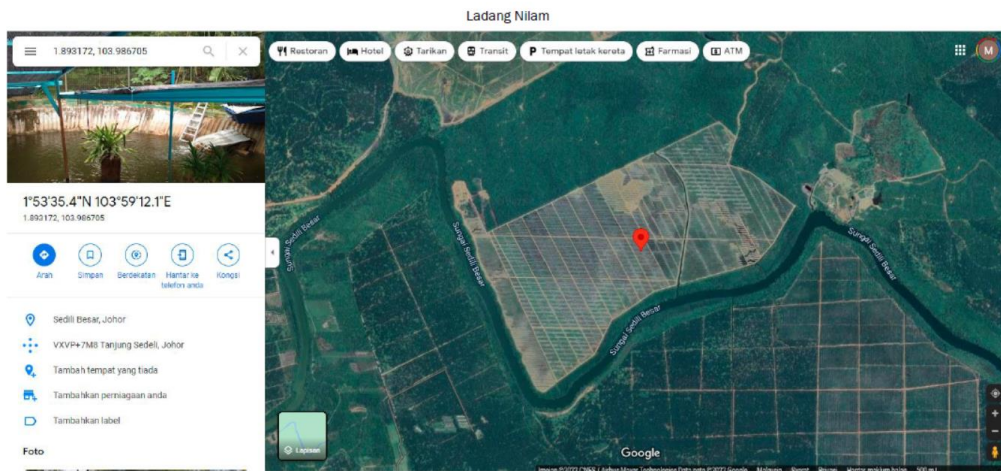
As PIJ Plantation and Agriculture Sdn Bhd does not have an NDPE policy, the company should address this case by adopting such a policy and address the 239 ha deforestation liability from the development of Ladang Nilam oil palm estate.



## Mapping analysis



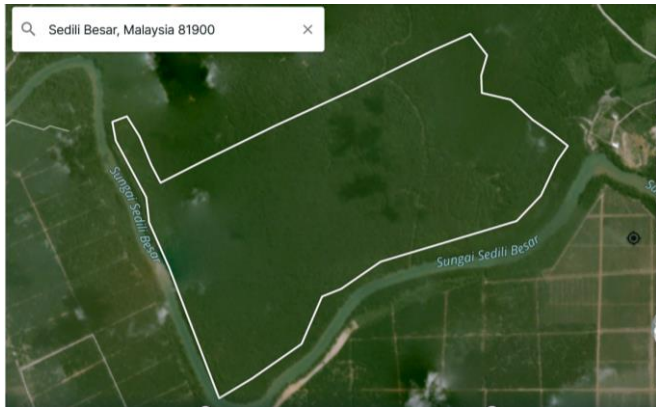
## Reference concession map from MSPO report



## Alert Imagery (before and after satellite images)

Clearance location: (1.893768, 103.985849)

Date: June 2019



Date: February 2021

