

## Governance of the Sustainable Public Palm Oil Replanting Program (PSR) in Riau Province

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**Abstract:** *The concept of good governance is a reference concept that is recognized as being a good manager of government activities. Governance is administration, or management which can be interpreted as power that is no longer owned or becomes a matter for the government. The purpose of this study was to find out how the governance of the sustainable PSR program in Riau Province is. The research method used is qualitative research with a case study approach. The results of this study show that the governance of the sustainable PSR program in Riau Province has been going well but still has some challenges in its distribution and distribution. The challenges identified in this research are the 2019 Coronavirus disease, human resources, and the increasing price of palm oil.*

**Keywords:** *Governance, Program, PSR, Sustainable*

### Introduction

Governance is one of the findings specifically about the factors that can influence and have an impact on open government initiatives that have been investigated by four perspectives, namely legislation and policy, technology, organization, and the environment. The concept of good governance is a reference concept that is recognized as being a good manager of government activities. Governance is administration, or management, which can be interpreted as power that is no longer owned or becomes a matter for the government. Governance already has several other verb elements, namely: governing, which is defined as a government function with other agencies,

NGOs, the private sector, and citizens, which is carried out in a balanced way. While good governance is good governance that is able to carry out government functions properly, cleanly, and authoritatively (structure, function, people, rules, and others).

Good governance is systematically designed to respond to corruption and economic and financial crises, which are considered problems in poor and developing countries. The World Bank was the first institution to introduce the concept of "public sector management programs" in order to implement better governance, especially in the context of development assistance requirements, known as structural adjustment (World

Bank, 1989). Furthermore, good governance in this context is seen as the sound of development. The development of agriculture and plantations has an important meaning for increasing national economic growth as well as improving people's living standards. The development of the agricultural and plantation sectors at a certain stage will create a sizable agribusiness development. In addition, in Indonesia, plantation companies are one of the main sectors in the economy. Plantation companies, in most cases, have a dominant position in socio-economic development. The plantation sector has a very significant impact in a positive or negative sense. In a positive impact, the plantation sector is able to increase regional original income (PAD), create jobs for the community, improve the economy and contribute to regional development. Meanwhile, the negative impacts on the social, environmental, political, and cultural aspects caused by this industrial sector are numerous. From the social and environmental perspective, oil palm land clearing is carried out using the land clearing method, which causes damage to the ecosystem.

Santosa (2010) stated that governance is said to be good if resources and public problems can be managed in an effective and efficient way, which is the answer to a need for the community. With the function of several public institutional devices in such a way that it is possible for the interests of the community to be well guaranteed. From this opinion, it can be concluded that what is meant by "good governance" is the implementation of state power and administration that involves government, private, and community actors to create clean, effective, and efficient governance. The World Bank (2008) states that good governance is the implementation of solid and responsible development management that is in line with the principles of democracy and efficient markets, avoiding misallocation of investment funds and preventing corruption both politically and administratively, implementing budgetary discipline, and creating a legal and political framework for the growth of business activities. (Hsiang, 2012). There are several important forms or indicators of governance that need to be considered and become good governance.

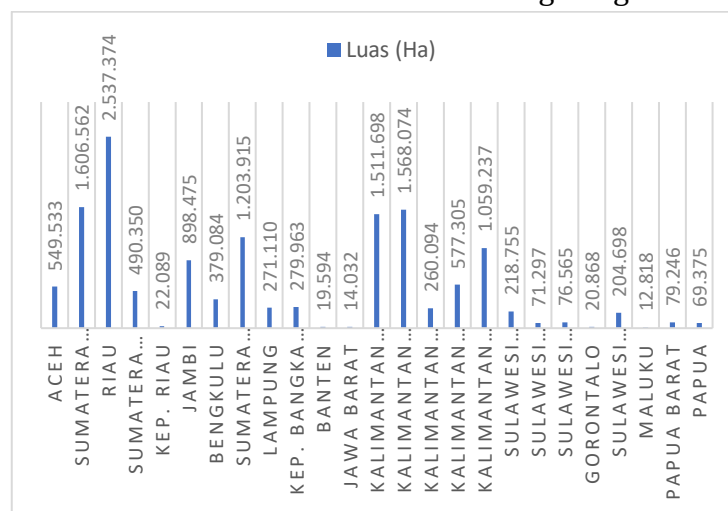


Figure 1. Oil Palm Plantation Area in Indonesia 2020

Source: Plantation Office of Riau Province 2020

At this time, the plantation sector in Indonesia is growing very rapidly, as seen from the number of industries built, especially the oil palm plantation industry. The large number of plantations, both owned by the community, private sector, and BUMN, is expected to be able to increase income and improve people's welfare. Palm oil is a palm oil-producing commodity that supports the national economy. Riau Province is faced with various kinds of problems that are multidimensional in nature, where a government with a fair bureaucracy is required to be able to make changes from an elitist bureaucratic service pattern to a populist bureaucracy (Mayarni, M. & Vani, R. V. 2020; Farazmand, 2004). Good governance consists of several main components. As a dynamic system, the main component elements are processes, structures, knowledge values, rules, organizations, management, policies, the private sector, globalization, accountability, and transparency. They dynamically interact with each other and form a unique unit by building inclusive political relations between the state or government, civil society, and the business sector.

Based on the data from Figure 1. above, the total area of oil palm plantations in Indonesia is 16,381,959 hectares, with the majority of oil palm plantations located in Riau Province, with an area of 2,537,374 hectares. With details of 5% being state plantations, 54% private plantations, and 41% smallholder plantations, this is based on data on the area of oil palm plantations based on SK.

Minister of Agriculture No. 833/KPTS/SR.020/M/12/2019).

One of the ways that this can be done is through the policy of developing oil palm. That needs to be directed at developing smallholder oil palm plantations so that there is a sustainable flow of capital that has been controlled by the private sector and the government. The development of oil palm plantations provides many benefits for the government sector and the community. Oil palm plantations in the future, including increasing production and productivity, especially for smallholder oil palm plantations, strengthening farmer institutions, increasing infrastructure support for oil palm in the form of plantation roads; and developing added value from oil palm through the development of domestic industries both for the oil industry and for the palm oil industry, frying, bio-fuel, and olechemical. For Kampar Regency, the development of the agricultural sector is an important sector to encourage the acceleration of regional development. So the government encourages efforts to replant people's palm oil in order to create a sustainable community oil palm plantation development, in which the rejuvenation program has been started since 2016.

Dunn in Anggara (2012) explains that, etymologically, the term "policy" comes from Greek, Sanskrit, and Latin. Dunn further explained that the root word in Greek and Sanskrit, namely polis (city-state), was developed in Latin into politia (state) and finally, in English, policy, which means dealing with public problems or government administration. James E.

Anderson defines policy as the behavior of a number of actors (officials, groups, or government agencies) or a series of actors in a particular field of activity. Discussions about policy cannot be separated from the linkage of interests between groups, both at the government level and the general public (Indiahono, 2017).

In simple terms, Nugroho (2012) expresses his opinion that public policy is every decision made by the state, as a strategy to realize the goals of the state. Public policy is a strategy to lead people during the transition period to the society they aspire to. Governance is defined as the mechanisms, practices, and procedures of government and citizens' managing resources and solving public problems. In the concept of governance, the government is only one of the actors and is not always the determining actor. The implication of the government's role as development as well as service and infrastructure provider will shift to become a driving force for the creation of an environment that is able to facilitate other parties in the community. Governance demands a redefinition of the role of the state, and that means a redefinition of the role of citizens. There are greater demands on citizens, among others, to monitor the accountability of the government itself.

According to Gordon in Mulyadi (2016) implementation relates to various activities directed at program realization. Good governance is considered important for national welfare and is commonly called "good governance" in accordance with the agreement of the United Nations, which is one of the functions and responsibilities of the state. Both

economic authority, administration, and political authority have the ability to regulate social problems in the country. From the three sectors, the authority of the government is then used for the greatest benefit of the people. Good governance will avoid mistakes in the allocation and development of funds, including early prevention of corruption. Abidin (2004) in Mulyadi (2016) view that the implementation process is related to two main factors, namely the main internal factors and the main external factors.

The main purpose of this study is to find out how the governance of the community oil palm rejuvenation program, hereinafter abbreviated as PSR, is due to the urgency of the low productivity of Indonesian oil palm farmers, only around 2-3 tons/ha/year (old plants and gardens that use illegal seeds), far below private plantations, which range from 5-6 tons/ha/year. This condition results in a lack of farmers' income and causes a low level of welfare for these farmers, and the solution carried out by BDPD KS is through a rejuvenation assistance program for planters, using palm oil export levy funds. In conclusion, the program is an interpretation of a government policy that contains a collection of instructions that are meant to fix problems that are developing. The program must exist to implement a policy so that it can run systematically and in accordance with the initial objectives of the program.

## **Method**

The type of research used in this research is qualitative with a case study approach. Bogdan & Taylor in Moeloeng

(2007) define qualitative methods as research procedures that produce descriptive data in the form of written or spoken words from people and observed behavior. A case study,

According to Creswell (2016), is a research design in which researchers develop and analyze in depth a case under study, whether it is a program, event, activity, or process regarding social phenomena related to sustainable PSR program governance in Riau Province. In this case, the sampling method is chosen for a specific reason (the person chosen as a sample meets the criteria).

The data source of this research is primary and secondary data. Data collection techniques through interviews. According to Esterberg (2002) in Sugiono (2017), interviews are a meeting of two people to exchange information and ideas through questions and answers so that meaning can be constructed on a particular topic.

The interview method that the author uses in this research is a semi-structured interview method by asking open-ended questions to informants from the Kampar Regency Plantation Service and the Indonesian Oil Palm Farmers Association (APKASINDO). There is observation and documentation.

Data analysis is carried out when data from informants or other sources has been obtained. Hubberman and Miles (1992) in Idrus (2009) propose a data analysis model, which he calls an interactive model. This model consists of three main things, namely (1) data reduction; (2) data presentation; and (3) drawing conclusions or verification.

## **Result and Discussion**

Oil palm production and exports are minimally affected by the COVID-19 pandemic, but we don't know what will happen to small farmers, especially those with small lands, in the midst of increasingly crowded conditions in their villages expanded with large-scale plantations. Because in the production aspect, the costs that must be prepared by planters for seeds, fertilizers, labor, and transportation will not change significantly. Therefore, smallholders need scientific development related to the management of oil palm plantations. In an effort to maintain the role of palm oil in a sustainable manner, the government has established a policy regarding the collection of funds for oil palm plantations (Plantation Law No. 39 of 2014):

Plantation Business Financing carried out by Plantation Business Actors is sourced from the collection of Plantation Business Actor funds, institutional fund financing, public funds, and other legitimate funds. Fundraising from Plantation Business Actors is used for human resource development, research and development, plantation promotion, and rejuvenation. Plantation plants and/or plantation facilities and infrastructure (Mayarni, M. et al. 2021).

Through the concepts that have been put forward in theory in operating the program, namely from the various results studied by the State Administration Agency (LAN) in Rosyada (2000), it was concluded that there are nine fundamental aspects in the realization of governance, namely:

### **Participation**

Participation by the community, especially parents and their children, in the education process is very much needed. Because without the participation of parents, educators (teachers) or supervisors, they will not be able to handle it. Especially considering today's increasingly damaged world, which will have an impact on their children if there is no supervision from their parents. The productivity of Indonesian oil palm farmers is low, at only around 2-3 tons/ha/year (old plants and gardens using illegal seeds), far below private plantations, which are around 5-6 tons/ha/year. This condition results in a lack of farmers' income, and causes a low level of welfare for these farmers, and the solution carried out by BPDP KS is through a rejuvenation assistance program for planters, using palm oil export levy funds.

### **Law Enforcement**

In its implementation, it is impossible to run a conducive business if there is no law or regulation that is enforced in its implementation. These rules and sanctions are intended to increase the commitment of all parties to comply with them. These rules are not intended to curb freedom, but to maintain the continuity of the implementation of educational functions as optimally as possible. PSR requirements and mechanisms consist of a maximum submission of 4 Ha/KK, 30 million/ha grants, a minimum submission of 20 KK or 50 Ha that does not have to be over a 10 km radius, legality of APL (Non-Area) land, SKT, SKGR, SPORADIK, GIRIK, and SHM (SHM that has not been renamed can be

issued by a Suket from the Village Head), submission through the Regency/City Disbun, Province, Ditjenbun, and finally, full assistance from APKASINDO.

### **Transparency**

The problem at this time is the lack of openness of supervisors to their staff for everything that happens. One of them can cause disputes between one party and another due to a lack of transparency in management. Moreover, it must be more transparent in various aspects, both in the field of policy and in other fields, to advance the quality of program implementation. Transparency of sources of funds for oil palm rejuvenation in Riau Province has been regulated in a transparent policy based on Presidential Regulation No. 61 of 2015 and Presidential Regulation No. 66 of 2018.

### **Responsiveness**

The Mainstay Farmers and Fishermen Group (KTNA) of Riau Province, GAPKI, and APKASINDO also maximized their role in helping the Riau Provincial government to pursue the realization of the PSR program. As is known, the PSR target of 26,500 hectares, which was given by the center to Riau Province this year, was divided into a number of regions. Among them, Kampar Regency, which is 4,500 Ha, Rokan Hulu 2,000 Ha, Pelalawan 5,000 Ha, Rokan Hilir 2,000 Ha, and Siak 4,000 Ha. Then, Kuantan Singingi 3,000 Ha, Indragiri Hulu 2,000 Ha, Bengkalis 1,000 Ha, Indragiri Hilir 2,000 Ha, and Dumai City. The other two regions, namely the Meranti Islands and Pekanbaru, did not get replanting quotas because they were considered to

have no potential for oil palm. One of the goals for good governance is responsiveness, namely, supervisors who are sensitive and responsive to problems that occur in educational institutions. Superiors must also be able to understand the needs of the community. Do not let supervisors wait for staff to convey their wishes. Supervisors must be able to analyze their needs, so that they can make a strategic policy for the benefit of the common interest.

### **Consensus**

The fundamental aspect of the ideals of good governance is the concern of supervisors in carrying out their duties, namely consensus decision making, where decision making in an institution must be through deliberation and as much as possible based on mutual agreement (reach of consensus). In making decisions, it must be able to satisfy all parties, or most parties, to also attract the commitment of the components in the institution. So that the decision has power in decision making.

The General Chairperson of the APKASINDO DPP gave a Review on the Implementation and Achievements of Oil Palm Rejuvenation (PBS, PBN, and People's Plantations) and the Rejuvenation Agenda (Target) 2022-2029: Opportunities and Challenges, which contained several indicators of inhibiting factors in the implementation of PSR in Riau Province, namely:

1. Land for PSR candidates tends to be constrained in forest areas even though they have a median plant age of more than 25 years.

2. A lack of PSR information for farmers who regard the grant fund as a loan that must be repaid.

3. Account Administrator Confirmation, which takes a long time, especially through District/City Disbun.

4. The bank tends not to understand the PSR pattern program so that it only wants to be a function of distributing grant funds.

5. The return of the verification file from the district office is quite long.

6. Farmers tend to be reluctant to borrow money from banks (loans to banks), due to a lack of education.

The solution to speed up the implementation of PSR is based on these factors, which are:

1. A PSR Acceleration Team was formed for each regency/city in the form of a more massive and intensive outreach consisting of the service, associations, companies, and banks.

2. On the basis of progress, permits are granted for prospective PSR lands indicated to be converted to Conversion Production Forests (HPK).

3. The Acceleration Team should confirm the account administrator's confirmation.

4. Allowing a grace period for each stage of the Regency/City service verification.

5. Law enforcers are given education regarding the sources of PSR funds and place representatives of law enforcers on the Supervisory Board of BPDP-KS.

6. Justice and equality (equity)

The technical stages of the PSR are Work stage P0 (Land Preparation), Work stage P1 (Maintenance Year I), Work stage P2 (Maintenance Year II), and Work stage

P3 (Maintenance Year III). The principle of equality and justice must be upheld by supervisors and staff in their treatment of those in an educational institution that is plural in terms of ethnicity, religion, and culture. This will always trigger all the problems that arise. The process of managing a good supervisor must provide opportunities for honesty and fairness. So that no one or the staff is abused or does not get what is their due.

#### 7. Effectiveness and efficiency

Efforts to develop people's oil palm plantations by replacing old or unproductive plants with new plants, either completely or gradually, aims to increase productivity and optimize existing oil palm plantations, in order to realize sustainable smallholder palm oil. 30 million/hectare grants, with criteria for plants > 25 years, garden productivity < 10 tons FFB/ha/year, Minimum age of at least 7 years, and gardens using low-yielding seeds for at least 2 years. This is considering the effectiveness and efficiency here are efficient and effective. Effectiveness is measured by product parameters that can reach the magnitude of the interests of various groups. While efficiency can be measured by rationalization to meet the needs that exist in the institution. Effectiveness and efficiency in the educational process will be able to meet the needs of people.

#### 8. Accountability

APKASINDO is present in the PSR Program with support and assistance to smallholders in order to increase sustainable palm oil productivity. The use of PSR funds has become the object of audit by BPK, BPKP, and Sucofindo and, in some areas, is subject to investigation by

law enforcement officers (police and prosecutors). The principle of accountability means the supervisor's responsibility to his staff, because the government is given the authority to take care of several affairs and interests in the institution. Each supervisor must be responsible for all policies, actions, and neutrality of attitudes while serving in the institution. The concept of implementing PSR in the aspect of accountability is that 30 million/ha goes into each farmer's account, 30 million/ha will be transferred to an escrow account (Group Account), and the use of the budget will be used according to the progress of work in the field, and monitoring and evaluation of intercropping . APKASINDO's Role in Assisting People's Palm Oil Rejuvenation, namely in the Scope of Work: Socialization, Land Measurement/Mapping, Making Work Plans and RAB, Contractors (luku, chipping, holes, felt, care, fertilizer), Facilitating the provision of seeds by seed producers, Assisting with administrative documents and audit reporting, and ISPO facilitation.

#### 9. Strategic Vision

Strategic visions are strategic views to face the future, because upcoming changes may be a trap for supervisors in making policies. This is where the right strategies are needed to deal with the existing changes.

In terms of productivity, smallholder oil palm plantations are still much lower than oil palm plantation companies. This is caused by the difficulty of planters in obtaining superior seeds and the lack of government support in developing planters. On the other hand,



the regulatory structure of seedlings (seed production and trading system) does not allow for the growth and development of medium-sized and small businesses. This chapter also describes other findings, namely the imbalance in the control of oil palm plantations between community plantations and plantation companies, the surge in crude palm oil (CPO) production and its relationship with the productivity of smallholders' plantations, as well as the increase in the area of oil palm plantations. In addition, this chapter also discusses the business structure of processing oil palm plantation products and the trading system of processed palm products. Finally, the results of a review of the business of oil palm cultivation, product processing, and the trading system for products made from oil palm are used to figure out how much money the state could make and lose from plantation businesses and the palm oil industry.

The main principle of the community oil palm rejuvenation program is that farmers who participate in the program are ensured that they meet the legal aspects of the land. Those who have not met the legal requirements are assisted. The replanting is carried out with the principle of sustainability, including: suitable land location, land clearing that meets conservation principles. To ensure practices based on sustainability principles are followed, program participants are required to obtain ISPO certification at the first harvest, and program rejuvenation seeks to meet productivity standards according to the genetic potential of the planted seeds. The following are some forms of policies regarding PSR (People's Palm Oil Rejuvenation):

1. Plantation Law No. 39 of 2014.
2. Regulation of the President of the Republic of Indonesia Number 61 of 2015 in conjunction with Number 24 of 2016 Concerning the Collection and Use of Oil Palm Plantation Funds.
3. Regulation No. 7 of 2019 of the Minister of Agriculture of the Republic of Indonesia, dated February 4, 2019, concerning Human Resource Development, R&D, Rejuvenation, and Oil Palm Plantation Facilities and Infrastructure.
4. Regulation of the Minister of Agriculture of the Republic of Indonesia No. 15 of 2020, dated May 18, 2020, is about the second amendment to the Minister of Agriculture No. 7 of 2019 about Human Resource Development, Research and Development, Rejuvenation, and Facilities and Infrastructure for Oil Palm Plantation. This regulation is about the second amendment to the Minister of Agriculture No. 7 of 2019.
5. Decree of the Director General of Plantations No. 208/Kpts/KB.120/7/2019, dated July 29, 2019, on Technical Guidelines for Oil Palm Replanting for Smallholders within the BPDPKS Funding Framework.
6. Decree of the Director General of Plantations Number 144/Kpts/OT.050/4/2020 dated April 13, 2020 concerning Technical Guidelines for Oil Palm Plantation Facilities and Infrastructure in the Funding Framework of BPDPKS.

The pattern of implementation of oil palm rejuvenation for smallholders, namely, rejuvenation is carried out by smallholders independently/self-supported through planter institutions. Rejuvenation is carried out by planters

through planter institutions together with work partners, and rejuvenation is carried

out by work partners in a rejuvenation pattern carried out by work partners.

**Table 1. Riau Province PSR Target in 2020**

No	District/City	Land Area (Ha)
1	Kuantan Singingi	2.000
2	Kampar	4.500
3	Bengkalis	1.000
4	Siak	5.000
5	Indragiri Hulu	2.000
6	Rokan Hilir	1.000
7	Pelalawan	5.000
8	Rokan Hulu	2.000
9	Dumai	500
10	Indragiri Hilir	1.000
<b>Total</b>		<b>24.000</b>

Source: Plantation Office of Riau Province 2020

Based on the data above, Riau Province did not succeed in achieving the PSR target in 2020, which is 24,000 hectares of land, but only managed to complete the verification of 1,000 hectares. This is based on data from the Plantation Office of Riau Province. So that in 2021, the Riau Province Plantation Service is given a target of 26,500 hectares, and data verification is being carried out, both on the legality of the plantation land, the identity of the planters, and other requirements, especially for oil palm planters who have a Cultivation Register Letter (SDB), which is a priority. This is because the PSR fee for every 1 hectare of oil palm plantation land that is included in the replanting program is Rp. 30 million, and a maximum of each planter may only register an area of 4 hectares, so it is said that oil palm farmers can get PSR funds of

Rp. 120 million. From July 2021, from the target of 26,500 hectares of land that must be replanted by the Riau regional government, it turns out that only 1000 hectares of land have been verified, not yet realized, and the process that will run, takes time, or is the same as the provincial government. Riau has only succeeded in verifying data on oil palm farmers who have entered the PSR program until July 2021 at 3% of a total of 26,500 hectares.

The importance of managing oil palm plantations in a sustainable manner has an impact, namely to improve community welfare, reduce the risk of illegal land clearing and increase FFB productivity. The area of smallholder oil palm plantations managed by smallholder oil palm farmers is increasing every year but does not have a positive correlation with existing oil palm productivity. The

decline in the productivity of smallholder oil palm plantations is caused by the age of smallholder oil palm plantations that are old or no longer economical, resulting in the poor quality of fresh fruit bundles (FFB). Low productivity can cause negative externalities on the issue of sustainable development of smallholder oil palm plantations. And in an effort to increase the productivity and quality of the fresh fruit bunches (FFB) produced as well as reduce the risk of illegal land clearing in Indonesia, the government encourages the community palm oil rejuvenation program (PSR), which includes technical support, funding, legal settlement, and institutional strengthening. Basically, the socio-cultural, economic, and environmental values of land resources are determined by the characteristics 3 that are inherent in these land resources and are influenced by the values adopted, the knowledge of the people who interact with these resources, and policies. In addition, the market for resources (commodities) contained in land resources also affects the value of land resources. These values depend on the rationality of the community in influencing the important value of land resources. This is characterized by the form of interaction in the utilization of these land resources.

Communities assess the importance of a land resource when it is still in a forested condition compared to the benefits of the same land resource but with different conditions, for example, oil palm plantations. If the benefits of forest commodities are more important than other commodities, then the community will try to maintain the existence of the forest, and vice versa. The community

values in question are not limited to people who interact directly (indigenous, local society), but also other communities that interact indirectly with land resources. Therefore, the values held by society. Riau Province has a target of 26,500 hectares for the implementation of the People's Palm Oil Rejuvenation (PSR) program in 2021. In its realization, the Riau Plantation Service (Disbun) invites various associations and organizations of oil palm farmer groups to jointly accelerate this target.

### **Challenges**

The impact of COVID-19 is huge, global, and wide-ranging. This not only affects the overall level of public health, but also affects the economy, social, psychological, cultural, political, government, education, sports, religion, and other activities. Therefore, the Pekanbaru City Government must formulate appropriate policies and actions to prevent and overcome the health status of COVID-19 and overcome the social, psychological, and economic impacts of COVID-19. The new normal, according to Habibi et al. (2020), is a change in behavior to continue carrying out normal activities, but accompanied by the implementation of health protocols to prevent the transmission of COVID-19. The principle of the new normal is being able to adapt to life patterns. This transformation is to organize new lives and behaviors during the pandemic, which will then be continued until a vaccine for COVID-19 is found. in Vani, R. V., Habibie, D. K., & Maryani, M. (2020).

Several rules for handling COVID-19 made by the Pekanbaru City Government are in line with regional and

central government policies, namely: Stay at home, carry out social evacuations, carry out physical evacuations, use personal protective equipment (masks), maintain personal hygiene (wash your hands), work and study at home, postpone all planned crowd gathering activities, until the implementation of the New Normal policy. The new normal condition is at least the result of three factors, namely: First, new life adjustments are made during the COVID-19 emergency response. Second, as part of efforts to prevent and respond to the impact of COVID-19, new institutional arrangements and behaviors; third, opportunities for change and new opportunities that arise from COVID-19 (Winanti & Wawan, 2020).

The People's Palm Oil Replanting Program (PSR) did not run smoothly throughout 2021. Until December 22, 2021, the realization of PSR had only reached 38,032 hectares. This achievement is lower than in 2020 and 2019. The Ministry of Agriculture asks farmers and companies to be involved in the PSR program. This program provides production and productivity improvements. One of the reasons for this PSR realization is that many farmers' gardens are located in forest areas.

Based on the determination of the Riau Province Palm Oil FFB Price No. 31 for the period from August 5 to August 11, 2020, 3 years old palm oil (Rp 1,380.93), 4 years (Rp 1,496.22), 5 years (Rp 1,635.67), 6 years (Rp 1,675.01), 7 years (Rp 1,740.33), 8 years (Rp 1,788.43), 9 years (Rp 1,830.61), 10 years -20 years (Rp 1,873.60), 21 years (Rp 1,793.77), 22 years (Rp 1,784.73), 23 years (Rp 1,777.20), 24 years (Rp 1,701.89), 25

years (Rp 1,660.46). With K index: 87.77% and CPO price of Rp. 8,580.59, Kernel Price Rp. 4,639.38, this has increased to Rp. 13.17 per kg for those aged 10–20 years.

Meanwhile, in smallholder oil palm plantations, the initiative for rejuvenation can be carried out based on its own initiative and also with the support of the government of Indonesia through the People's Palm Oil Rejuvenation (PSR) program. The Indonesian government, through BPDPKS and the Ministry of Agriculture, has targeted around 185,000 hectares of smallholder oil palm plantations to be rejuvenated every year. Every year, there must be gardens that have entered old age that need to be rejuvenated. To achieve the ideal composition of national oil palm plantations, it requires regular replanting every year, which is about 4 percent of the total area. For corporations such as state-owned and private oil palm plantations, replanting activities are generally well planned every year.

Oil Palm Plantations (PSR is a program to help smallholders renew oil palm plantations to be more sustainable and of high quality, and reduce the risk of illegal land clearing (Land Use, Land Use Change, and Forestry). Through PSR, the productivity of land owned by smallholders can be increased without clearing new land. From the target of 26,500 hectares of land, only 1000 hectares of land have been verified, not yet realized, and the process that will run, takes time, or is the same as the Riau provincial government has only succeeded in verifying the data of oil palm farmers who enter the program PSR until July 2021, at 3% of a total of 26,500 hectares.

This is due to a shortage of human resources in the Regency/City, including in Riau Province. The Plantation Office of Riau Province stated that human resources in the Regency/City are not ready. The low human resources in the regions' PSR target areas and in the provinces are a fairly important challenge in the implementation of the PSR, because there are 26,500 hectares of land that we have to verify. That is a lot and takes time.

### Conclusion

Based on their analysis of the discussion above, the authors have come to the following conclusions and suggestions. The author found from the data that the governance of the PSR program has been running according to regulations, but the implementation process that involves many actors causes several challenges that must be resolved immediately. This is due to the synergy of each stakeholder from the office, association, company, and bank to form The Acceleration Team under the auspices of BPDP-KS, Settlement of forest area problems for PSR candidates will be resolved immediately. Placement of Representatives of Law Enforcement Apparatus on the Supervisory Board of BPDP-KS. This is due to the importance of managing oil palm plantations in a sustainable manner, which has an impact, namely to improve community welfare, reduce the risk of illegal land clearing, and increase FFB productivity. The area of smallholder oil palm plantations managed by smallholder oil palm farmers is increasing every year but does not have a positive correlation with existing oil palm productivity. Challenges in PSR governance in Riau Province, namely the

2019 Coronavirus disease, which hampers the performance process in the field, limited human resources to achieve maximum targets, and the increasing price of palm oil, which causes confusion or doubt in the community about carrying out oil palm rejuvenation.

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