

# **SUMITOMO SMALLHOLDER CAPACITY BUILDING PROJECT**

*FINAL REPORT*

**2023 – 2025**

**HALCYON GROUP INDONESIA**



# INTRODUCTION

This CSR program is a collaboration between Hok Tong Group and Sumitomo Rubber to support smallholder rubber farmers around the factory area. The program has been running continuously for three years and currently covers 28 villages in Jambi Province, with 9 villages in 2024 and 19 villages in 2025.

The activities carried out include farmer training, distribution of fertilizers and coagulants, as well as fertilizer application in rubber plantations.

The goal of this program is to improve the livelihoods of rubber farmers and enhance their farming practices, while contributing to economic development and sustainability.



Project planning and train-of-trainers activities were conducted in 2023. In 2024, the CSR program reached 674 rubber farmers in Jambi.

In line with the commitment to improving farmer welfare, in 2025 the project has reached 1,040 farmers in villages different from the 2024 project areas in Jambi.

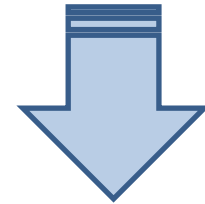
The program includes farmer data collection, distribution of fertilizers and coagulants, and field assistance to ensure proper fertilizer application.

This program has had a positive impact on the productivity and welfare of rubber farmers in Jambi.



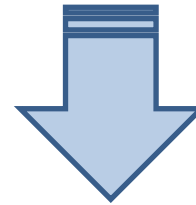
# PRE-CSR CONDITION

*LOW TAPPING  
VOLUME*



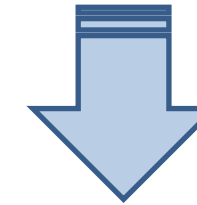
Aging rubber trees and  
climate change.

*LIMITED G.A.P  
KNOWLEDGE*



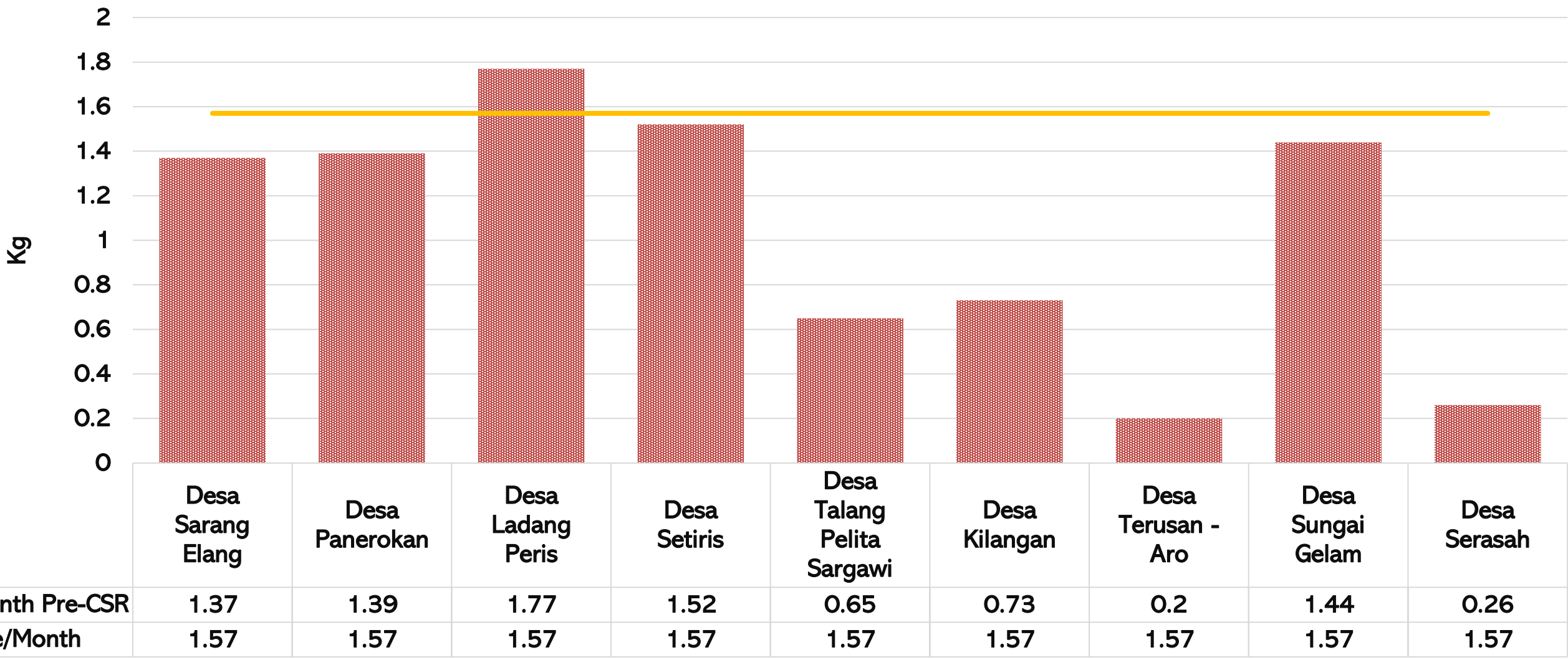
Many farmers have not  
implemented proper  
agricultural techniques,  
such as efficient tapping,  
and appropriate  
fertilization.

*POOR PLANTATION  
CONDITION*



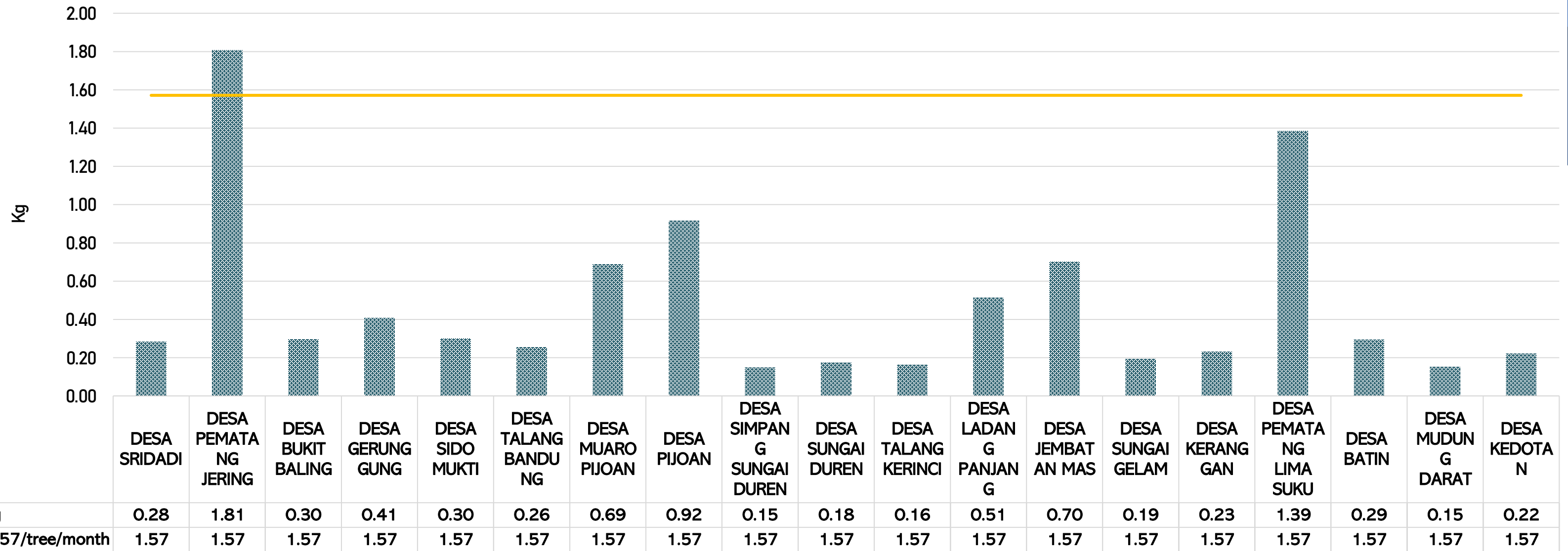
Most farmers don't apply  
fertilizer to their rubber  
plantations.

# LOW TAPPING VOLUME 2024



In the Tapping Volume Pre-CSR 2024 chart, only Ladang Peris Village met the target of 1.57 kg/tree/month. Setiris, Sungai Gelam, Panerokan, and Sarang Elang recorded production levels close to the target. Meanwhile, the other four villages—Kilangan, Talang Pelita Sargawi, Serasah, and Terusan-Aro—remain far below the target and require intensive support. Overall, the data highlights the importance of CSR programs in boosting rubber tapping productivity.

# LOW TAPPING VOLUME 2025



In the Tapping Volume Pre-CSR 2025 chart, only Pematang Jering Village achieved the target of 1.57 kg/tree/month. Pematang Lima Suku Village is the only other village that is close to reaching the target. Meanwhile, the other villages remain far below the 1.57 kg/tree/month target, including: Sridadi, Bukit Baling, Gerunggung, Sido Mukti, Talang Bandung, Muaro Pijoan, Pijoan, Simpang Sungai Duren, Sungai Duren, Talang Kerinci, Ladang Panjang, Jembatan Emas, Sungai Gelam, Keranggan, Batin, Mudung Darat, and Kedotan.

# LIMITED G.A.P KNOWLEDGE



***RUBBER TAPPING FROM RIGHT  
TO LEFT***



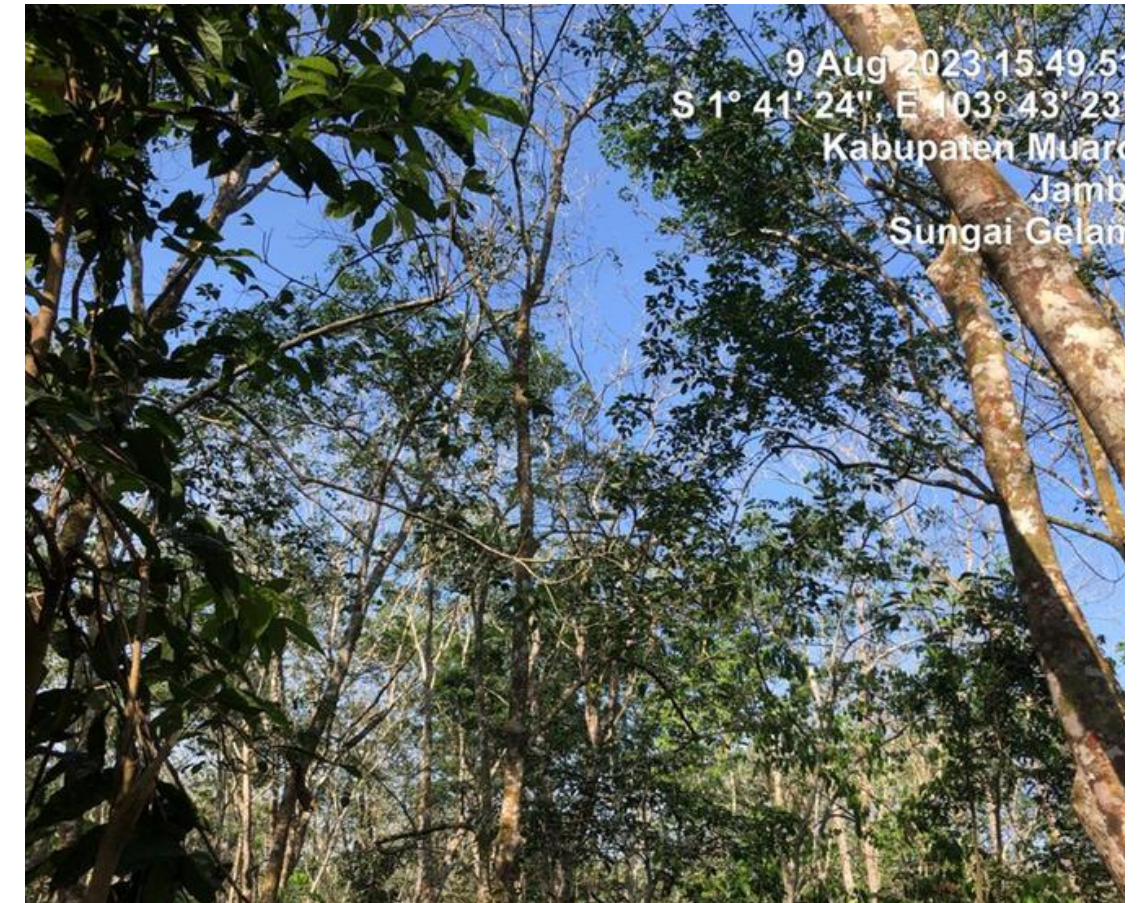
***THE CONDITION OF AN UNORGANIZED (OR  
POORLY MANAGED) PLANTATION***



***RUBBER PLANTATION OVERGROWN WITH  
WEEDS***

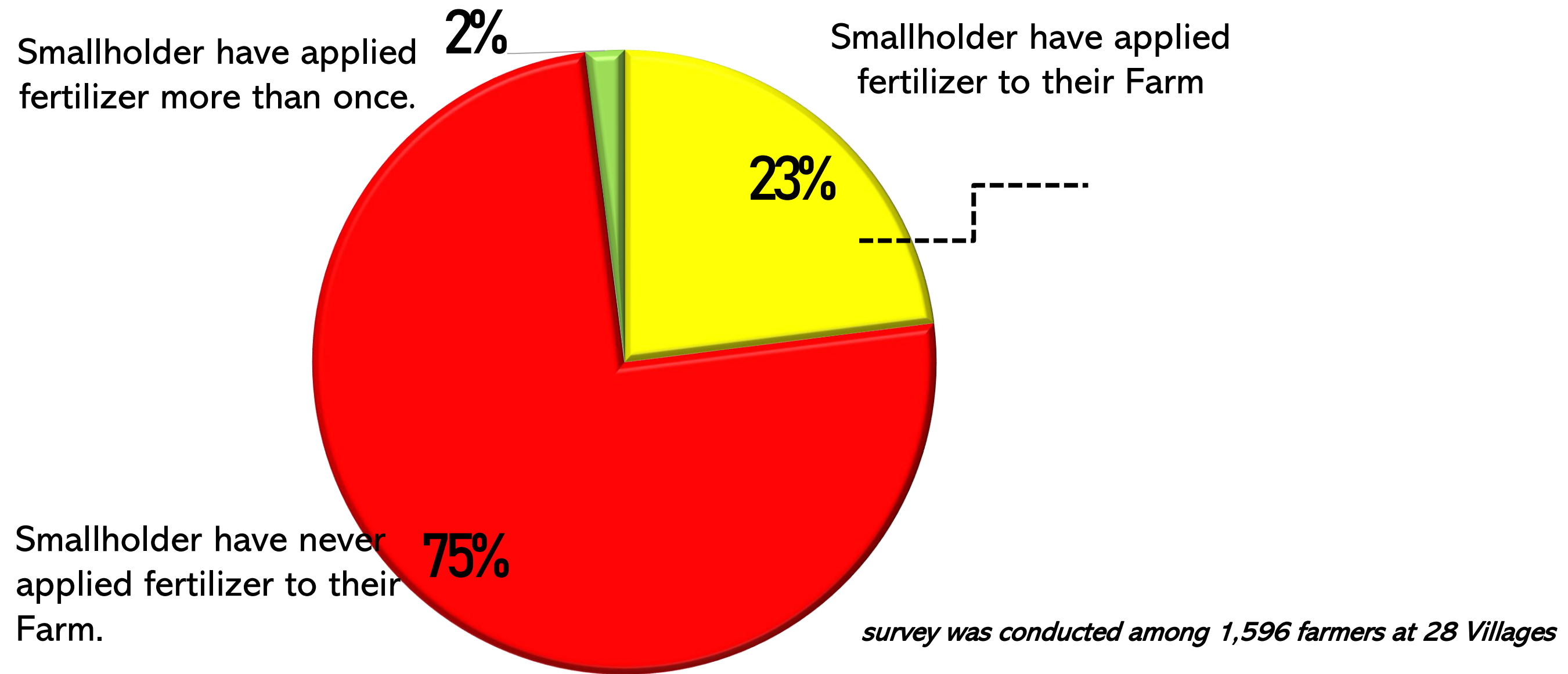
1596 farmers have not implemented proper agricultural techniques, such as efficient tapping, and appropriate fertilization.

# POOR PLANTATION CONDITION



Rubber plantations that have never been fertilized generally show suboptimal plant growth. The leaves appear pale or even fall off, stem growth slows down, and both the quantity and quality of latex yield decrease.





## Survey on Fertilization Practices for Rubber Plantations in Jambi Before Project Start



# PROJECT TIMELINE

# TARGET FARMER TIME LINE



# PROJECT BUDGET

# BUDGET OF SUMITOMO PROJECT

## Project budget 2023 – 2025

## Detail budget :

Description	Cost (Rp)	Cost (USD)
Cost of fertilizer and coagulant assistance	Rp1.589.640.000	\$ 109630.34
Training costs	Rp27.000.000	\$ 1862.07
Implementation, Monitoring & Evaluation	Rp112.140.000	\$ 7733.79
<b>Total</b>	<b>Rp1.728.780.000</b>	<b>\$ 119226.21</b>

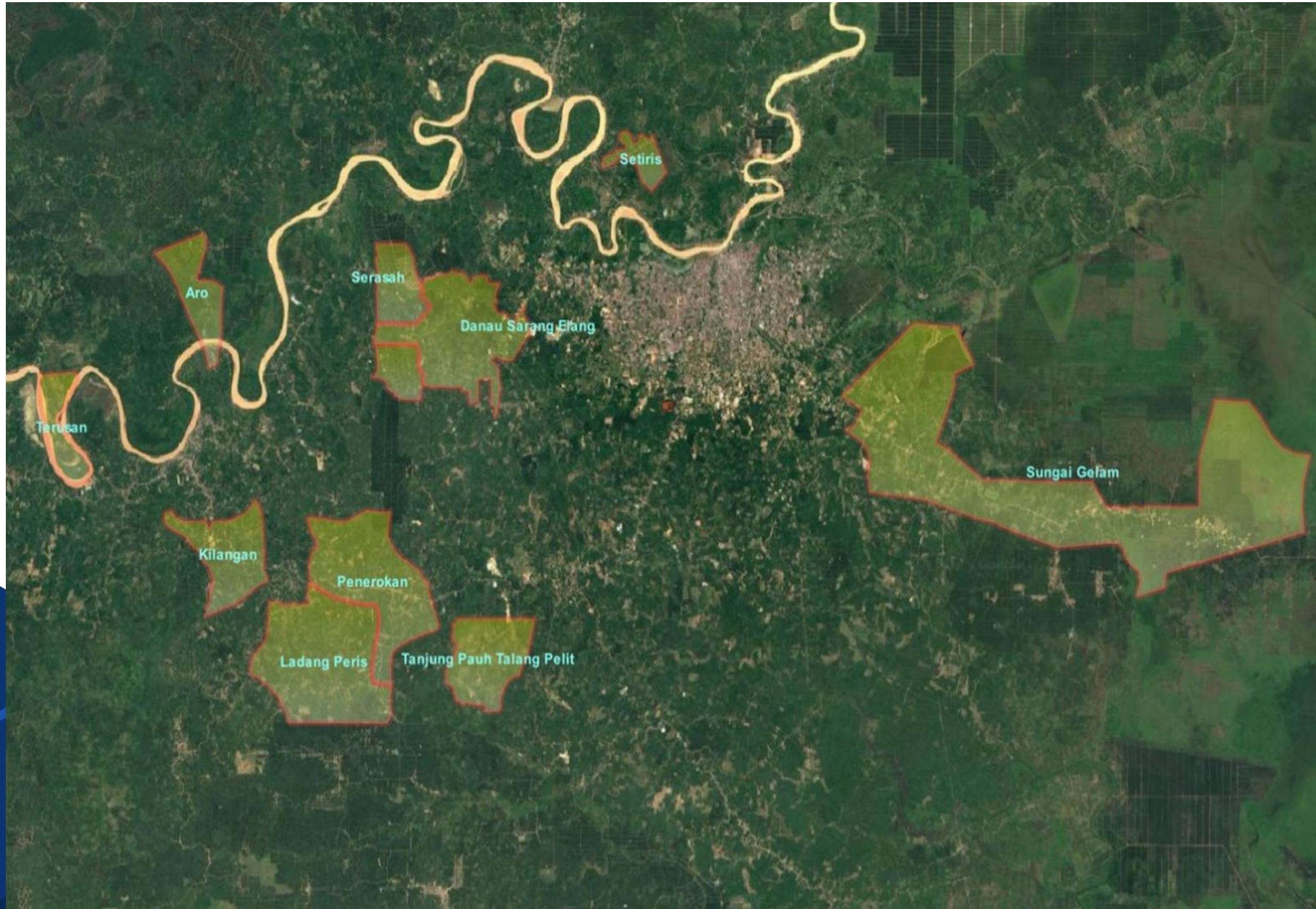
Total budget for the Sumitomo Project 2023–2025 is Rp 1.728 billion or about USD 119,226. Most ( USD 60K for each year ) of the budget, around 92%, is used for fertilizer and coagulant assistance to help farmers improve productivity and latex quality. The project also includes training costs of Rp 27 million (USD 1,862) to strengthen farmers' knowledge and skills. In addition, Rp 112 million (USD 7,734) is allocated for implementation, monitoring, and evaluation to ensure the program runs effectively.



# PROJECT AREA

2024 – 2025

# PROJECT AREA 2024



The project areas for the 2024 SRI - Halcyon CSR Program include the following villages:

- Penerokan
- Ladang Peris
- Setiris
- Sungai Gelam
- Kilangan
- Tanjung Pauh Talang Pelit
- Danau Sarang Elang
- Terusan - Aro
- Serasah

# PROJECT AREA 2025



The project areas for the 2025 SRI - Halcyon CSR Program include the following villages:

- Sridadi
- Pematang Jering
- Bukit Baling
- Gerunggung
- Sido Mukti
- Talang Bandung
- Muara Pijoan
- Pijoan
- Simpang Sungai Duren
- Sungai Duren
- Talang Kerinci
- Ladang Panjang, Dusun Sawit Rejo
- Jembatan Emas
- Sungai Gelam
- Keranggan
- Pematang Lima Suku
- Mudung Darat
- Batin
- Kedotan





# **PHOTO OF FERTILIZER DISTRIBUTION ACTIVITIES**

# FERTILIZER DISTRIBUTION ( CSR ACTIVITIES ) 2024



# FERTILIZER DISTRIBUTION ( CSR ACTIVITIES ) 2025



# **FERTILIZATION OF RUBBER TREES ( CSR ACTIVITIES )**

**2024 - 2025**

Throughout 2024, a total of nine villages participated in the SRI–Halcyon CSR Program. These villages include Panerokan, Ladang Peris, Setiris, Sungai Gelam, Kilangan, Tanjung Pauh Talang Pelita, Sarang Elang, Terusan–Aro, and Serasah. They carried out fertilization activities as part of efforts to improve agricultural productivity, particularly for rubber commodities.

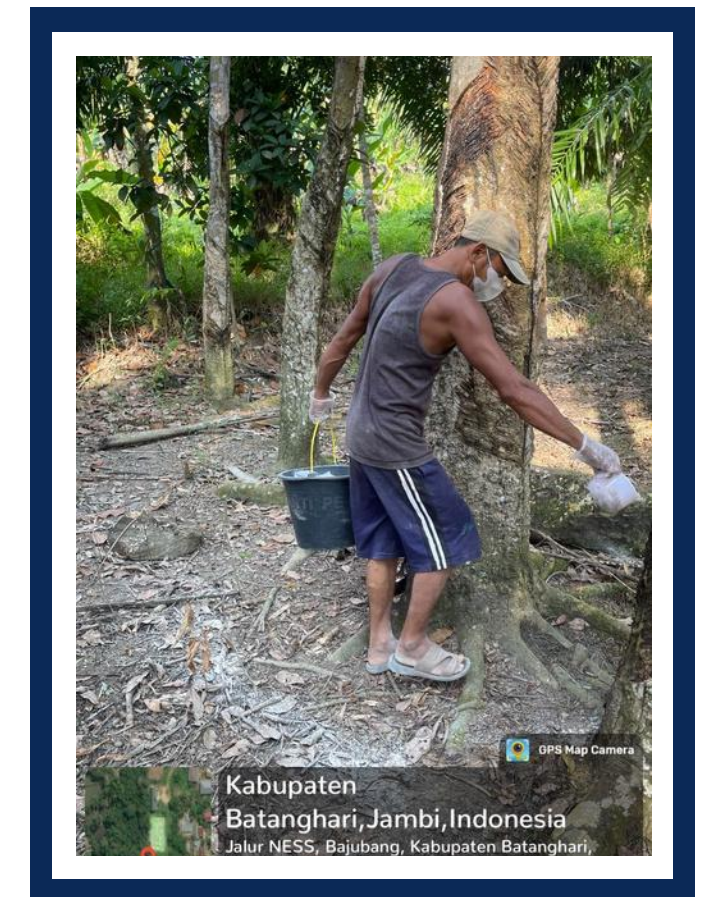
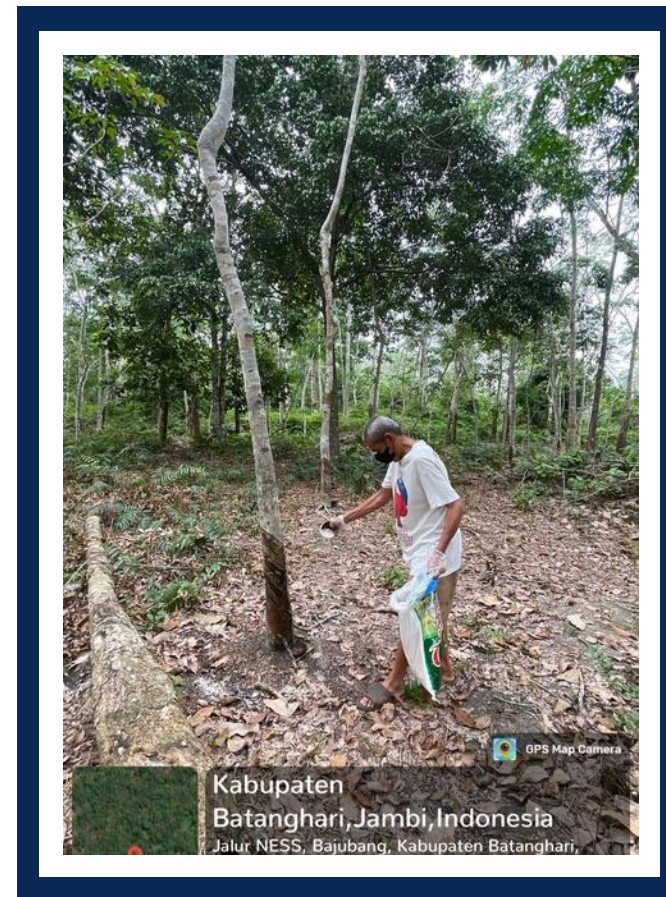
In 2025, 19 villages participated in the SRI–Halcyon CSR Program and carried out similar fertilization activities. These villages include Sridadi, Pematang Jering, Bukit Baling, Gerunggung, Sido Mukti, Talang Bandung, Muara Pijoan, Pijoan, Simpang Sungai Duren, Sungai Duren, Talang Kerinci, Ladang Panjang, Jembatan Emas, Sungai Gelam, Keranggan, Pematang Lima Suku, Mudung Darat, Batin, and Kedotan.

Sungai Gelam Village has participated twice, in 2024 and 2025, with different implementation locations each year.

# PHOTO OF FERTILIZATION ACTIVITY ON RUBBER TREES



# PHOTO OF FERTILIZATION ACTIVITY ON RUBBER TREES





# EXPENSE REPORT – SUMITOMO PROJECT

# COST OF SUMITOMO PROJECT

## Project budget 2023 – 2025

Description	Cost (Rp)	Cost (USD)
Cost of fertilizer and coagulant assistance	Rp1.589.640.000	\$ 109630.34
Training costs	Rp27.000.000	\$ 1862.07
Implementation, Monitoring & Evaluation	Rp112.140.000	\$ 7733.79
<b>Total</b>	<b>Rp1.728.780.000</b>	<b>\$ 119226.21</b>

## Detail cost :



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Document

## Actual Cost Sumitomo Project 2023 – 2025

Description	Cost (Rp)	Cost (USD)
Cost of fertilizer and coagulant assistance	Rp1.590.454.900	\$ 101693.61
Training costs	Rp66.831.678	\$ 4216.88
Implementation, Monitoring & Evaluation	Rp223.229.000	\$ 14089.21
<b>Total</b>	<b>Rp1.880.515.578</b>	<b>\$ 119999.7</b>

Total actual spending reached USD 119,999, which is slightly higher than the planned budget of USD 119,226, but still well within the overall allocation provided by Sumitomo, set at USD 120,000 for the two-year period. The minor variance was primarily driven by exchange rate fluctuations, as the Indonesian Rupiah slightly weakened during the project period. Overall, the expenditure remained on track and supported the smooth execution and successful outcomes of the project

**RESULT**

# POST-CSR CONDITION



Farmers switch from old rubber tapping techniques to new and correct techniques. Previously, farmers tapped with V-shaped taps. Now, the taps are in the form of straight lines drawn from the top left to the bottom right of the tree



We provide education regarding the application of Good Agricultural Practices (GAP) to farmers which enables them to maintain the continuity of the harvest life of the rubber trees they have tapped so far. Rubber production results are limited to the optimal point of rubber production itself. This will make the rubber tree last longer.



Farmers have received information about the importance of fertilizing, regular cleaning and administering medicine to plants attacked by plant diseases



### Previous Practices

### Recent Practices

Tapping from the top right to the bottom left.

Tapping from the top left to the bottom right.

Not using fertilizer.

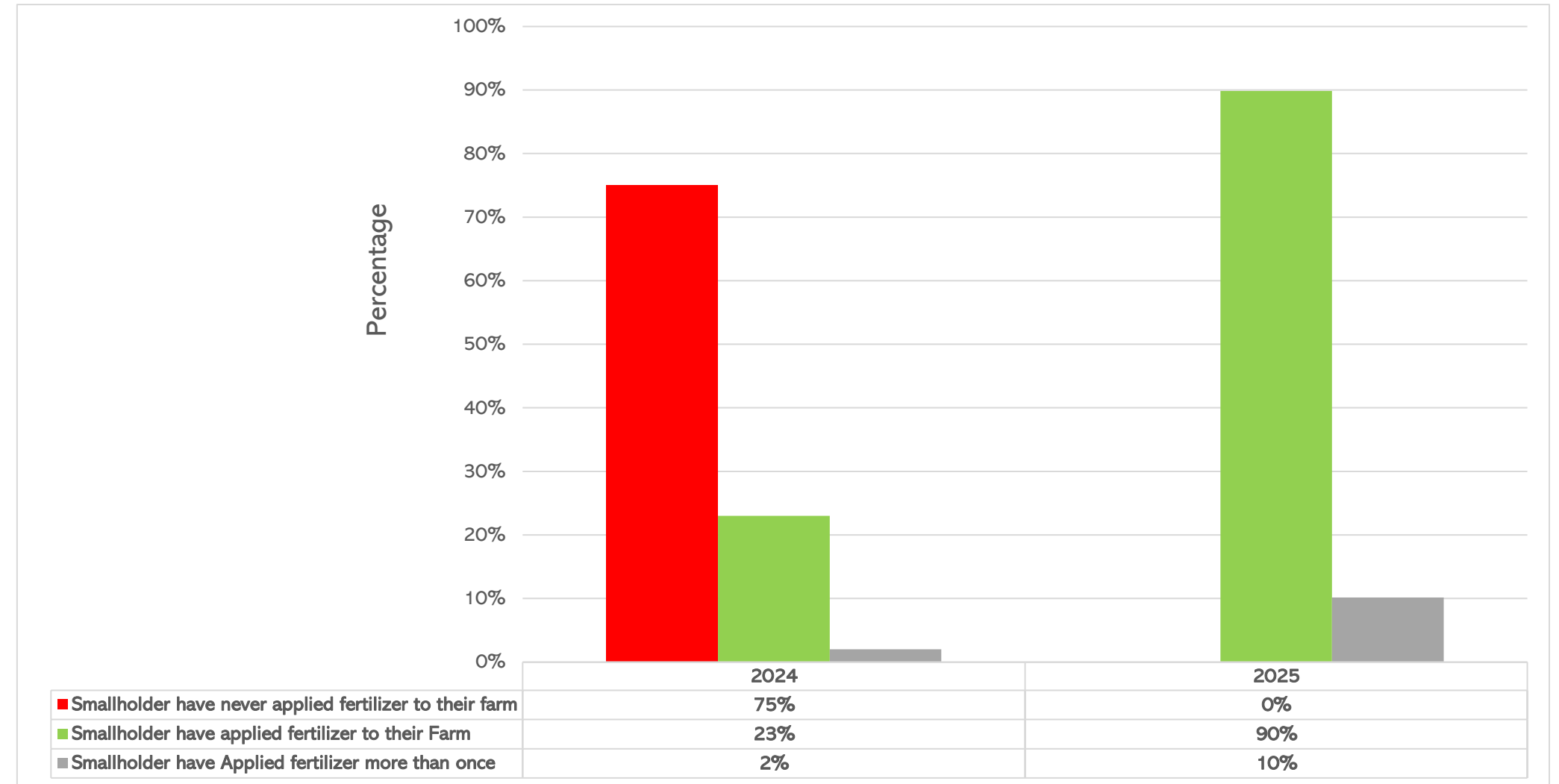
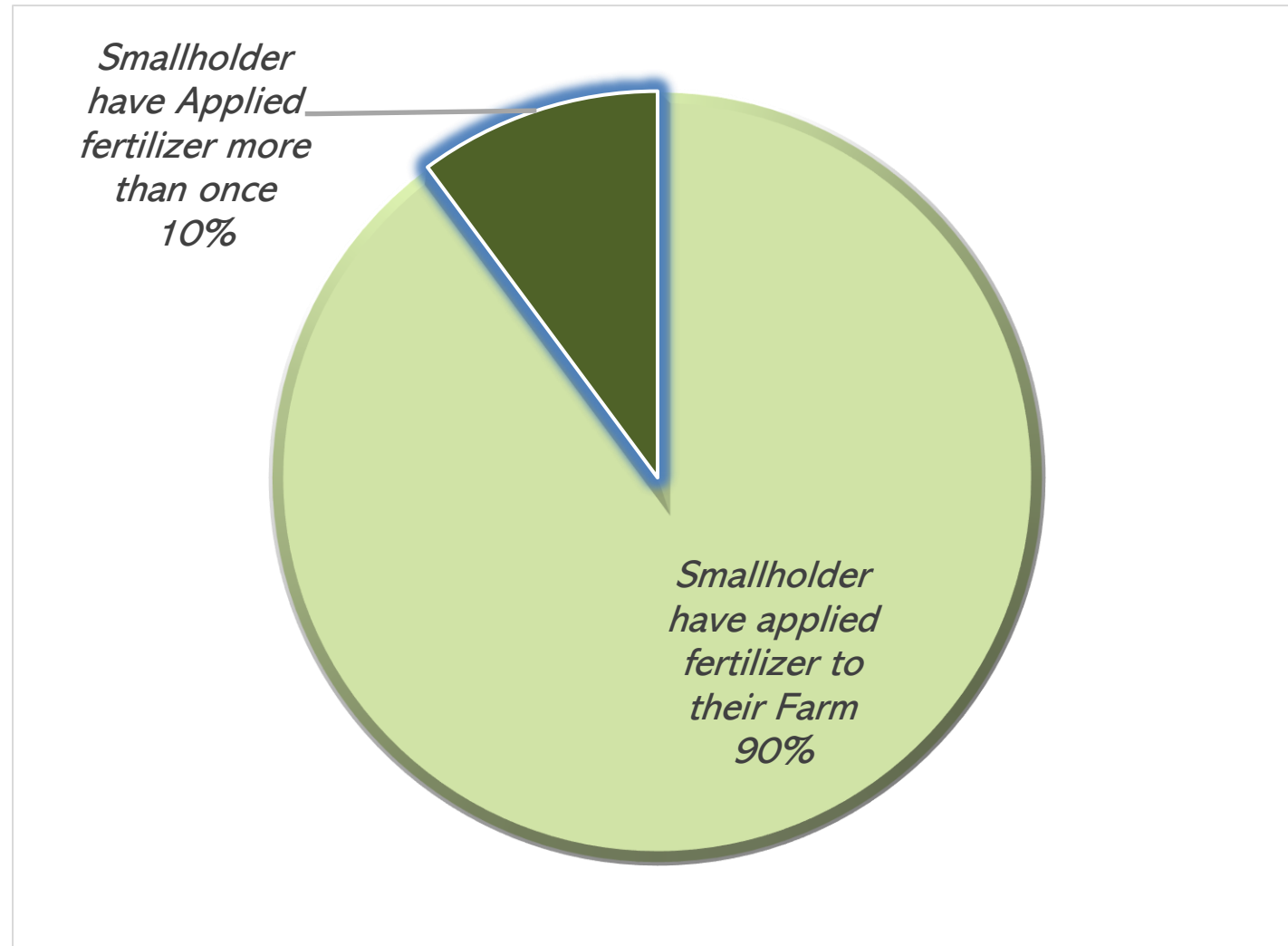
Using Urea, Dolomite, and KCl, a total of 1714 farmers from various villages in the Jambi region have received fertilizer from PT Hok Tong for 410 trees per farmer.

Using a non-recommended coagulant (sulfuric acid – brand Cuka 61).

Using the recommended coagulant, formic acid.

Using stimulants without the correct dosage and application method.

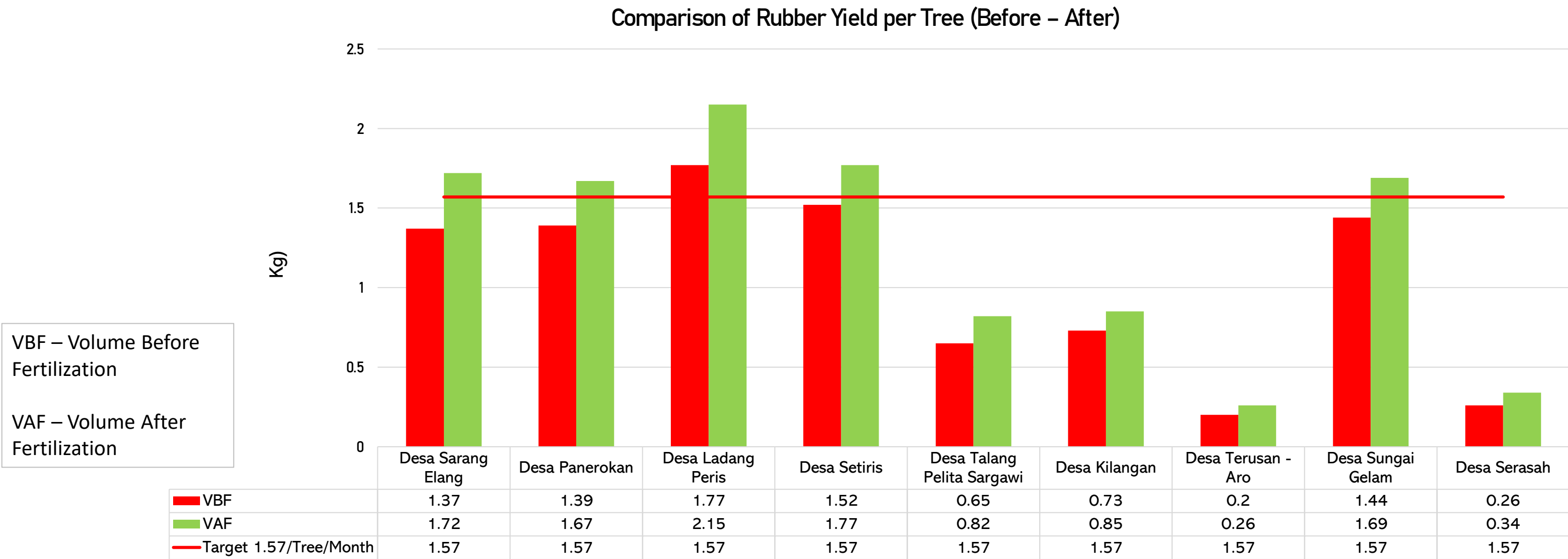
All farmers who have received training are now following the correct dosage and application methods.



*survey was conducted among 1,596 farmers at 28 Villages*

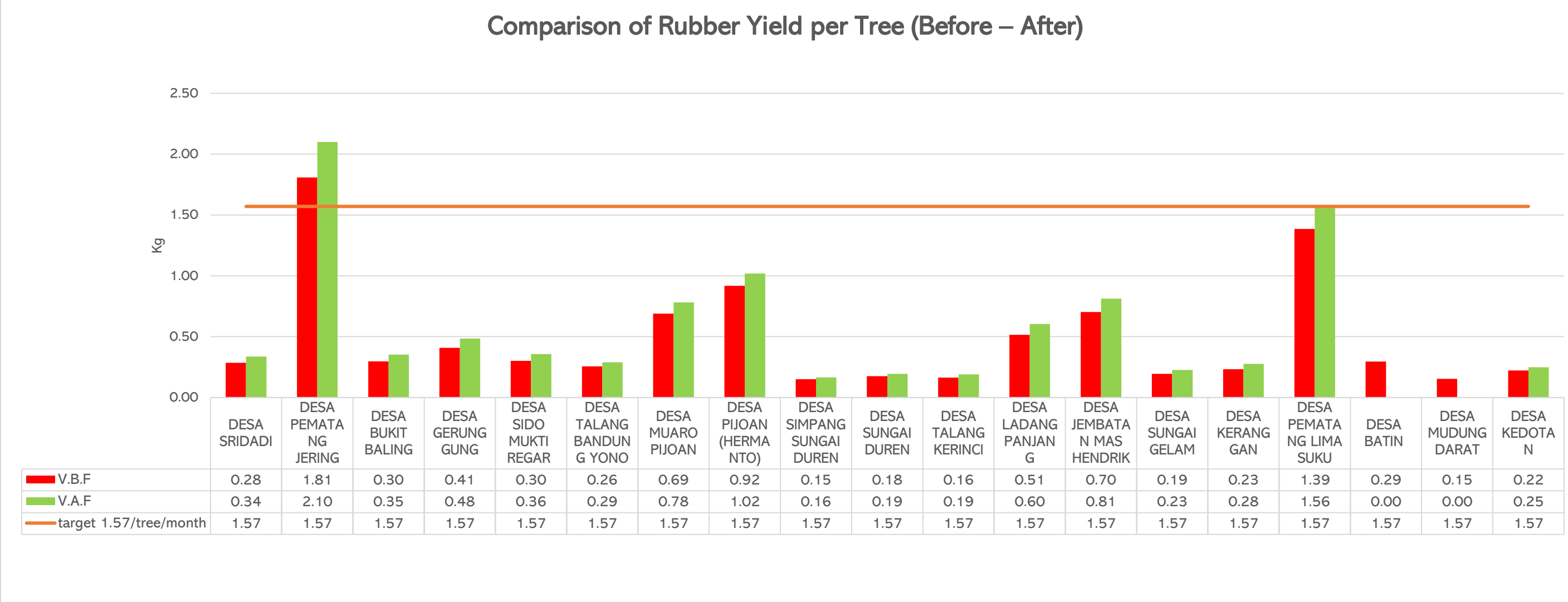
## Survey on Fertilization Practices for Rubber Plantations in Jambi 2025 after Project

# Rubber Tapping Volume Improvement – Pre vs Post Fertilization 2024



This chart shows how rubber tapping volumes improved before and after fertilization in nine pilot villages under the 2024 CSR SRI Program. After six months, five villages—Sarang Elang, Panerokan, Ladang Peris, Setiris, and Sungai Gelam—exceeded the 1.57 kg/tree/month target. On average, production rose by 0.28 kg/tree/month, showing clear positive results from better fertilization and improved tapping practices among the farmers.


# Rubber Tapping Volume Improvement – Pre vs Post Fertilization 2025



The chart illustrates pre- and post-fertilization rubber tapping volumes in 19 villages under the 2025 CSR SRI Program. After three months of fertilization, Pematang Jering exceeded the production target, while Pematang Lima Suku approached it. Despite most villages remaining below the target, the average tapping volume rose by 0.17 kg/tree/month compared to pre-fertilization, indicating early progress and the need for sustained support and Good Agricultural Practices (GAP).

# Conclusion

This data does not fully indicate that the increase in tapping volume is solely due to the fertilization applied. The increase is also influenced by other factors, particularly fluctuations in raw material prices during the observed period, weather conditions, and the quality of the seedlings used. Nevertheless, the data provides an indication of increased tapping volume, as supported by surveys and direct interviews with the farmers.



**Visit Report from the Sumitomo Rubber  
Industries Central Team to the SRI – Halcyon  
CSR Project in Sridadi and Pematang Jering  
Villages, Jambi**

# Objectives of the Visit



To assess the tangible benefits provided by the CSR initiatives.



To interact directly with smallholder rubber farmers and understand their experiences.



To document lessons learned and identify potential improvements for future programs.

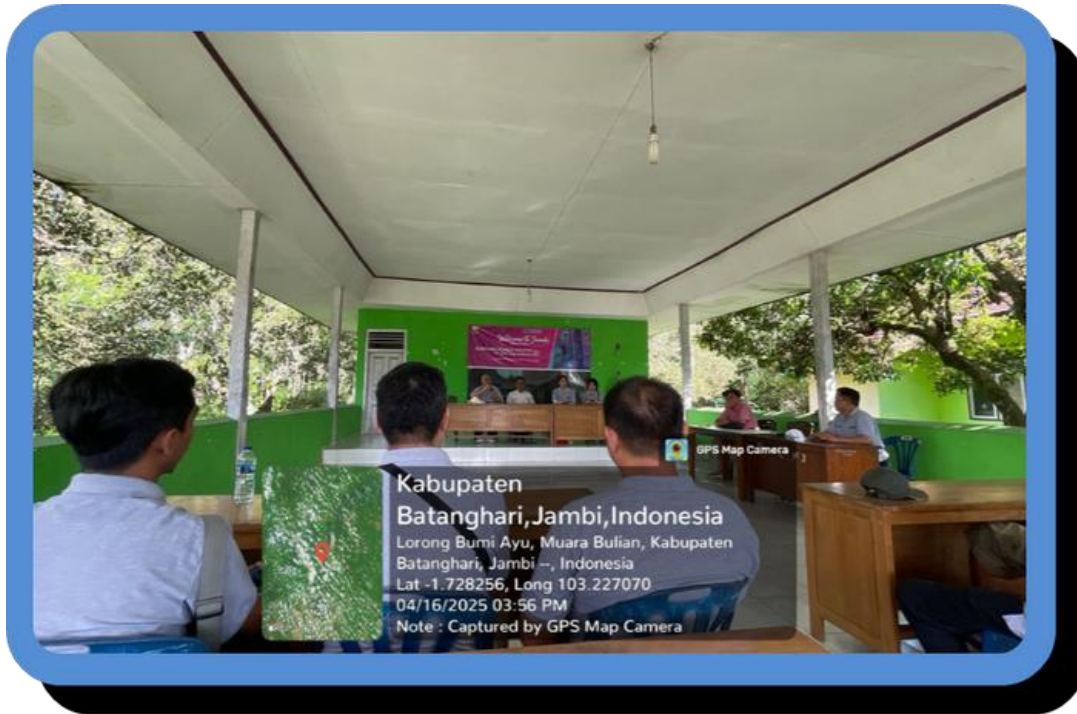


To strengthen collaboration between PT. Hoktong Jambi and Sumitomo Tire Factory.

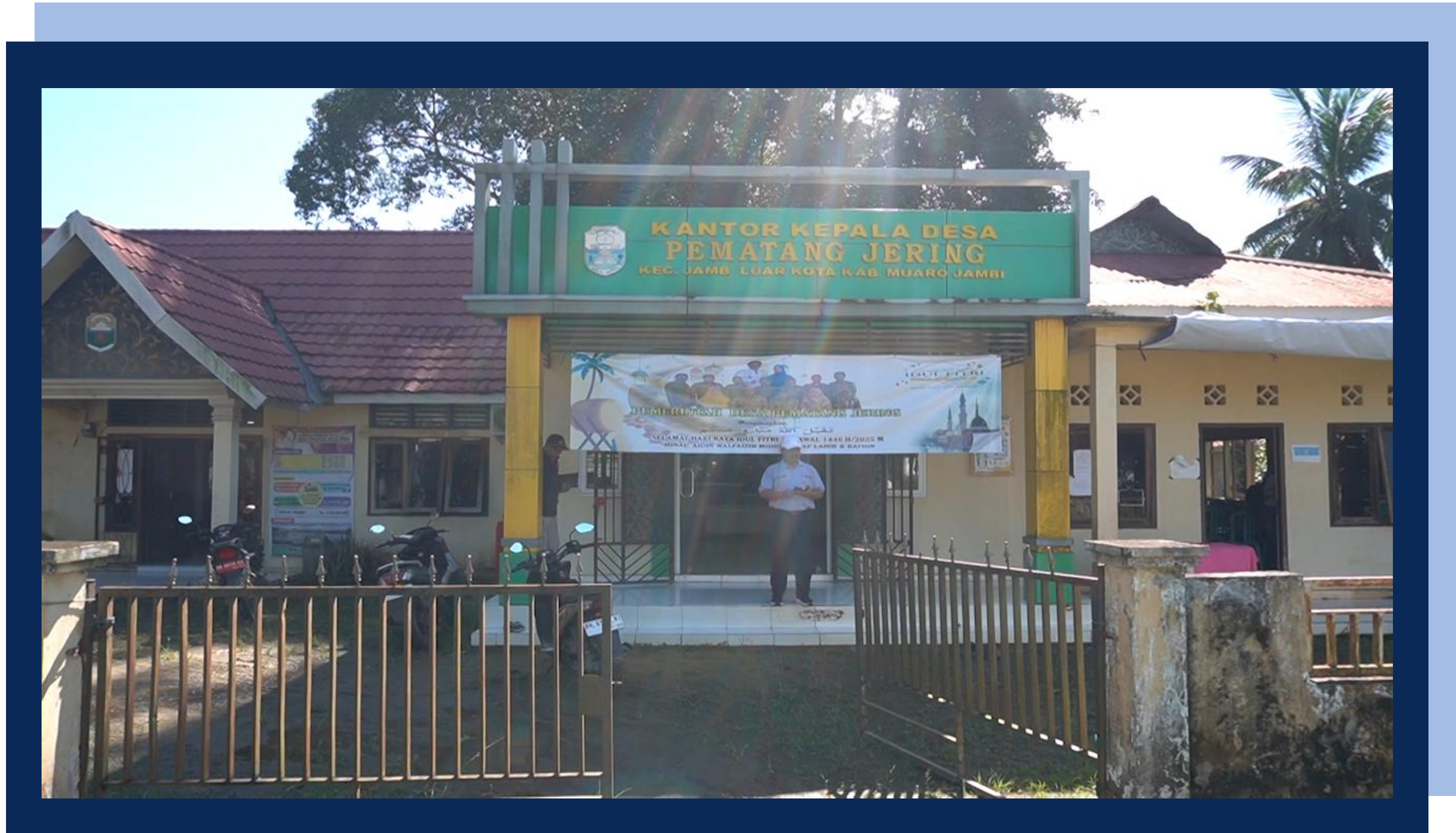
# Pematang Jering



# Sridadi



# Video Of Activity



# Video Stills



**THANK  
YOU**

**HALCYON GROUP INDONESIA**

