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Plantations Development in Indonesia: Strategies and Prospects

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Currently Indonesia has about 8.9 million hectares of land under oil palm and in 2011 the total production of palm oil was over 22 million tonnes. The growing demand for palm oil both for food and fuel and the need to enhance income of rural people the growth of area under oil palm in Indonesia will continue. The potential for expansion exists especially in three islands namely Kalimantan, Sulawesi and Papua.

In these three locations the total prospects for expansion in area range from a low of about 2.6 million hectares to a high of over 16.9 million hectares. However there are some obstacles. These and possible solutions are discussed.

Keywords: *Indonesia, palm oil, area, production, potential for expansion.*