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Development of Oil Palm on Peat: A Socio-Economic Perspective

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Shortage of good land resources has forced agricultural development, particularly oil palm cultivation into marginal soils and development of oil palm in particular on peat soil both in Malaysia and Indonesia. The interest of oil palm development on peat has triggered criticism on issues related to the environment and sustainability. Claims were made that oil palm development on peat is not sustainable due to the impact on the hydrological balance, emission of greenhouse gases (GHG) thereby contributing to global warming. On the other hand, the need to alleviate rural poverty and the economic viability of planting on very accessible peat remain a push factor in developing peat land into oil palm plantations. The paper discusses the current scenario of oil palm development on peat soil, challenges and the problems facing the industry from an environmental perspective. Implementation of current sustainable practices related to new development, water management and palm nutrition in line with the RSPO (Roundtable on Sustainable Palm Oil) principles and criteria are also considered. The paper addresses the prospects of oil palm cultivation on peat soil.

Keywords: *Peat soil development, socio economic considerations, environment, sustainable practices, RSPO principles and criteria, new development, water management, palm nutrition.*

