

Indonesia's Koltiva empowers smallholders of natural rubber industry in Southeast Asia

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The EU Deforestation Regulation (EUDR) presents a significant challenge for Southeast Asia's rubber industry, which accounts for 80% of global natural rubber production. Thailand, Indonesia, Vietnam, and Malaysia lead in production, with Thailand exporting an impressive 4 million tons annually (35% of global output) and Indonesia following with 2.5 million tons. These figures represent a powerhouse industry driving export values of \$19.7 billion in Thailand and \$5.6 billion in Indonesia, firmly rooting rubber as a critical player in their economies and the global market (ARC, 2022).

Smallholders face unique hurdles in adapting to the stringent traceability and sustainability requirements mandated by the regulation. According to Regulation (EU) 2023/1115, commodities entering the European Union must be deforestation-free and accompanied by comprehensive due diligence documentation (EU, 2023). However, compliance remains a formidable task for smallholders due to fragmented supply chains, limited infrastructure, and challenges such as land legality and mixed-origin rubber.

In response, Koltiva, a leading agritech company for enterprises to make global supply chains traceable, inclusive, and climate-smart, has introduced tailored solutions that empower smallholder producers to overcome these challenges while maintaining their livelihoods and market access.

Manfred Borer, CEO & Co-Founder at Koltiva. "Our tailored solutions are bridging the gap between regulatory demands and smallholder capabilities, ensuring compliance, sustainable growth and market resilience."

Koltiva provides comprehensive support to help smallholders comply with EUDR regulations. From supply chain mapping and land documentation to training and traceability through its (traceability platform) KoltiTrace and (producers' training coaching) KoltiSkills solutions, Koltiva ensures smallholders meet standards and maintain access to global markets.

To support smallholder producers meeting the complex requirements of the EUDR, KoltiSkills offers a range of specialized services to build capacity and ensure compliance. For instance, KoltiSkills has already coached approximately 6,000 Rubber producers, equipping them with the knowledge, skills, and tools needed to navigate regulatory challenges effectively. In addition, Koltiva has already mapped and registered more than 180,000 producers and verified more than 790,000 Ha of farm plots and production areas in Southeast Asia, mainly in Thailand, Vietnam, Malaysia, and Indonesia.

Smallholders in Southeast Asia face significant hurdles in meeting EUDR requirements, including limited formal land documentation, fragmented traceability systems, and lack of geolocation compliance. For instance, in Indonesia, only 10,000 hectares of 3.2 million smallholder plantations have Plantation Cultivation Permits (STDB), risking a \$527 million export loss (Asia News, 2024). Vietnam and Cambodia also struggle with mixed-origin rubber, complicating cross-border traceability (Lesprom, 2023).