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The 30 December Wall: Who in Asia Is Actually Ready for the EUDR

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Eight weeks before the EU Deforestation Regulation bites for large operators, we score Asia-Pacific producers of palm oil, rubber, cocoa, coffee and timber on plot-level traceability, and find the gap sits with smallholders, not plantations.



Some regulatory deadlines arrive quietly. This one has been postponed twice, debated in Brussels, Jakarta and Kuala Lumpur, and cut back by a simplification package. It now has a fixed date. From 30 December 2026, large and medium operators that place palm oil, rubber, cocoa, coffee, timber, soy or cattle products on the European Union market, or export them from it, must be able to show that the goods were produced on land not deforested after 31 December 2020, and that they were produced legally. Micro and small enterprises follow on 30 June 2027.

The European Commission has been clear that this is the last stop. When it published its simplification review on 4 May 2026, it said the regulation would not be reopened and that the existing timelines stand. By mid-July it had adopted the final delegated act on product scope and the implementing rules for the EU information system, which was back online at the end of June. The paperwork is in place, and the excuses for waiting are running out.

The useful way to read the deadline is as a sorting event. It will not stop Asian commodities reaching Europe. It will separate supply chains that can attach a geolocated plot and a legality file to every shipment from those that cannot. Our country-by-commodity scorecard below finds a consistent pattern across the region. Integrated plantation groups and state-backed schemes are largely ready. The weak point is the millions of independent smallholders who grow much of the region’s palm oil, rubber and coffee, and who sell through traders and collection points where chains of custody break.

What the rules actually demand, after the simplification

The core obligation has not changed: an operator must collect geolocation for every plot of land where the commodity was produced, check deforestation risk and legality, and file a due diligence statement before the goods enter or leave the EU market. For plots under four hectares a single coordinate point is enough. Larger plots need a polygon.

What has changed is who carries the load. Under the December 2025 amendment, Regulation (EU) 2025/2650, downstream companies that buy products already on the EU market are no longer treated as operators. The duty sits with whoever first places the product on the market or exports it, and later buyers rely on reference numbers passed down the chain. Micro and small primary operators in producer countries can file a one-time simplified declaration rather than repeated statements. The Commission estimates the package will cut annual compliance costs by about 75 per cent compared with the original text.

The scope has been trimmed as well. The delegated act adopted on 13 July removes cattle leather, retreaded tyres, vulcanised rubber products, conveyor belts and vehicle seats, along with waste and second-hand goods. It also adds products. Instant coffee and a wider set of palm oil derivatives, including palm-based soaps, come into scope from 30 December 2027. For Asian rubber, the removal of some finished rubber goods eases pressure on manufacturers. It does nothing for the raw latex and sheet rubber that Thai and Indonesian smallholders supply, which remain covered.

Then there is country benchmarking, which sets how closely EU authorities check each origin. The Commission's May 2025 classification placed most of Asia-Pacific in the low-risk tier, including Thailand, Vietnam, the Philippines, Papua New Guinea, India and China. Malaysia, Indonesia and Cambodia were rated standard risk. Myanmar was one of only four high-risk countries worldwide. Low-risk origins face minimum checks on 1 per cent of operators each year, standard-risk origins 3 per cent, and high-risk origins 9 per cent. Low risk does not remove the duty to geolocate. It means simplified due diligence and fewer inspections. Vietnam's coffee association has warned its members that the low-risk label is "not a free pass", and that holds across the region.

Malaysia: the most prepared, with a stubborn last mile

Malaysia enters the deadline with the most complete national toolkit in the region. Malaysian Sustainable Palm Oil (MSPO) certification is mandatory. Plantation and Commodities Minister Datuk Seri Dr Noraini Ahmad has told Parliament that about 90 per cent of the country's oil palm plantations are MSPO-certified, and that coverage among independent smallholders has reached 85 per cent. Her ministry has been building a National Traceability System that links e-MSPO certification records, the GeoSawit geolocation platform and the SIMS supply chain information system, with full implementation targeted for March 2026.

The biggest external signal came in July. Noraini announced that the Netherlands Food and Consumer Product Safety Authority, the regulator for Rotterdam, Europe's largest palm oil gateway, had recognised MSPO as a private control system under the EUDR. That does not make MSPO oil automatically compliant. It does mean an EU authority accepts the scheme as credible third-party assurance that operators can build their due diligence around.

The trade data hint that this is starting to count. According to European Commission figures compiled by Germany's oilseed association UFOP, EU imports of Malaysian palm oil rose about 4 per cent between July 2025 and early March 2026, even as total EU palm imports slipped to 1.9 million tonnes for the period. Analysts at UOB Kay Hian have argued that compliant Malaysian cargoes could earn a premium in a smaller, tightly monitored EU demand pool, and that buyers in Japan, South Korea and China may eventually adopt similar verification standards.

Malaysia's remaining exposure is its standard-risk rating. The Malaysian Palm Oil Council has lobbied for a low-risk classification, and the 3 per cent inspection rate adds cost and scrutiny. The last 15 per cent of independent smallholders, often in Sabah and Sarawak, are the group most likely to be dropped by cautious buyers.

Indonesia: plantations ready, smallholders exposed

Indonesia has the most to lose and the widest internal gap. Its corporate sector is well advanced. A joint gap assessment of the Indonesian Sustainable Palm Oil (ISPO) scheme, carried out with EU support, found that ISPO certificates covered 5.24 million hectares of private company plantations in 2023, about 69 per cent of that area, with a similar share for state-owned estates. Many large groups also hold RSPO certification and run their own satellite monitoring.

The smallholder picture is very different. The same assessment found that of roughly 6.2 million hectares of smallholder oil palm in 2022, ISPO certificates covered just over 58,000 hectares. Fewer than 1 per cent of independent smallholders had been certified in 13 years. The STD-B cultivation registration, which records smallholder plots and their geolocation, has been rolling out slowly. The assessment also found that ISPO does not use the EUDR's forest definition or its 2020 cut-off date, and that uncertified intermediaries do not pass plot-level information along the chain.

Jakarta has also raised a legal objection. In November 2025, Vice Minister of Foreign Affairs Arif Havas Oegroseno said that handing sustainability data to foreign parties for EUDR compliance would be illegal under Indonesian law, and suggested a licensing body modelled on the FLEGT timber arrangement to share traceability data while keeping sustainability data at home. The Ministry of Trade is leading a national traceability effort, with state-owned PT Surveyor Indonesia building a cloud-based system to help farmers, cooperatives and exporters prepare due diligence statements. Brussels has said it will not plug producer-country dashboards directly into its own system, so the data still has to reach EU operators through their suppliers.

The result shows up in the trade figures. UFOP data show EU imports of Indonesian palm oil fell about 8 per cent between July 2025 and early March 2026, to just under 600,000 tonnes. That decline is mainly about biofuel policy, not deforestation rules. The bigger picture is that Indonesia's corporate exporters will clear the wall, while mills that buy fresh fruit bunches through layers of dealers face a choice between expensive segregation and redirecting volume to buyers outside Europe.

A trade agreement adds a complication. The Indonesia-EU Comprehensive Economic Partnership Agreement includes a sustainability chapter that addresses the EUDR. Indonesian officials have indicated it is unlikely to take effect before 2027, so it will not change the December picture.

Thailand and Vietnam: low risk, high stakes

Thailand's exposure is rubber, and it rests almost entirely on smallholders. About 1.7 million small-scale rubber farmers supply roughly 90 per cent of the country's output. The Rubber Authority of Thailand has mapped about 79 per cent of the national rubber area, which gives Thailand a stronger starting position than most commodity-smallholder systems. The gaps are land tenure and mixing. Around one in five smallholders lacks formal land documents, often farming under informal arrangements on state land. Rubber also passes through middlemen and collection centres where compliant and non-compliant latex blend.

Private players are stepping in. Agriac's Traztru platform, for example, georeferences plots and keeps digital records of land deeds and rubber batches, while cooperatives linked to it separate compliant from non-compliant rubber at collection points. Thailand has also set up a high-level committee to coordinate its response. The value of Thai rubber exports to the EU rose about 65 per cent between 2019 and 2024, which shows what is at stake.

Vietnam's main exposure is coffee. The Vietnam Coffee-Cocoa Association (VICOFA) says nearly half of the country's coffee exports go to the EU. In the first half of 2026, Vietnam shipped more than 1.05 million tonnes of coffee worth US$4.81 billion, with Germany, Italy, Spain, Belgium and the Netherlands alone taking more than 409,000 tonnes. Coffee covers more than 700,000 hectares, but VICOFA says pilot surveys have mapped about 153,000 hectares in the Central Highlands, roughly one fifth. Large exporters such as Simexco Daklak are building their own farmer and plot databases. VICOFA is pressing for a single national database built on a "collect once, verify once, use many times" principle.

The government's action plan requires every province to build and publish forest boundary databases and maps by 31 December 2026, and to identify coffee, rubber and timber areas at risk of deforestation. Timber matters less for EU compliance than the headline numbers suggest. Vietnam's wood exports hit a record US$17.2 billion in 2025, but direct shipments to the EU were only about 5 per cent, and the country already operates a timber legality system under its voluntary partnership agreement with the EU.

Papua New Guinea and the long tail

Papua New Guinea gets less attention than it should. It is a low-risk origin and a meaningful palm oil supplier to Europe. Market data cited by UFOP put EU imports of PNG palm oil at about 140,000 tonnes between July 2025 and early March 2026, down about 17 per cent. Its large plantation operators have long held RSPO certification. Its coffee and cocoa, however, come mostly from smallholders in informal supply chains. Pacific trade advisers have warned that national regulatory frameworks and informal trade make compliance harder there. Public data on plot mapping in PNG's coffee and cocoa sectors are thin, and that alone is a warning sign for buyers.

The wider tail includes Indonesian cocoa from Sulawesi, Laotian coffee and Cambodian rubber. A European Forest Institute review of early producer-country responses, published in April, noted that in less centralised sectors such as Lao coffee, donor-backed pilots are doing most of the work. It also warned that independent smallholders, those in indirect supply chains and those with unclear land tenure remain most at risk of exclusion.

Table: CROSSWINDS EUDR readiness scorecard, Asia-Pacific (October 2026)

Ratings are AgroSpectrum Asia editorial assessments based on the published data cited in this article. Green: national or corporate systems cover most EU-bound volume. Amber: corporate supply largely ready, significant smallholder or data gaps. Red: limited verified traceability for smallholder-dominated supply.

Country (EU risk tier)	Palm oil	Rubber	Coffee	Cocoa	Timber	Key evidence
Malaysia (standard)	Green	Amber	n/a	n/a	Green	MSPO covers about 90% of plantations and 85% of independent smallholders; Dutch NVWA recognition
Indonesia (standard)	Amber	Red	Amber	Red	Green	ISPO covers about 69% of company area but under 1% of independent smallholders; SVLK timber system
Thailand (low)	n/a	Amber	n/a	n/a	n/a	About 79% of rubber area mapped; about 20% of smallholders lack formal land documents
Vietnam (low)	n/a	Amber	Amber	n/a	Green	About 153,000 of 700,000+ coffee hectares surveyed; provincial forest maps due 31 Dec 2026
Papua New Guinea (low)	Amber	n/a	Red	Red	n/a	Certified plantation estates; little published plot mapping for smallholder coffee and cocoa

Who pays, and where the volume goes

The cost of compliance will not be shared evenly. Integrated groups that own their estates and mills can spread mapping and monitoring costs across large volumes and may earn a premium for it. Exporters that rely on independent growers have to choose. They can fund mapping, registration and segregation themselves. They can push the cost onto growers through lower farmgate prices. Or they can stop sourcing from growers they cannot verify. Each choice puts pressure on the smallholder, which is why the Malaysian Palm Oil Council and Indonesia’s government have repeatedly asked Brussels not to let the regulation push small farmers out of global supply chains.

Some of the volume will move elsewhere. Europe is a shrinking palm oil market: UOB Kay Hian puts EU imports for 2025/26 at 2.85 million tonnes, down 5 per cent year on year, mostly because of biofuel policy. India, China and Middle Eastern refiners do not currently require EUDR-style plot data, so unverified oil can flow there. The likely outcome is a two-tier market, with verified, segregated supply going to Europe and to brand-conscious buyers elsewhere, and everything else going to price-driven markets. That split could hold down prices for unmapped smallholder output just as input costs rise.

There is a more hopeful reading. Every hectare mapped for Europe is also a hectare that can show legal title, qualify for credit and meet the standards Asian buyers may adopt next. Thailand’s rubber mapping and Malaysia’s national traceability system have uses well beyond Brussels.

What to watch in 2027

- Whether the Commission’s next benchmarking review moves Malaysia or Indonesia to low risk, which would cut inspection rates from 3 per cent to 1 per cent.
- How smoothly the first months of due diligence statements run, and whether customs delays at Rotterdam and Hamburg hit Asian palm oil and rubber in January.
- Whether Indonesia and Brussels settle the data-sharing dispute through a licensing body or another government-to-government channel.

- How many micro and small producers in Asia file the simplified declaration before the 30 June 2027 deadline.
- Whether Japanese, Korean or Chinese buyers start asking for EUDR-grade plot data, which would turn a European rule into a regional standard.
- How exporters prepare for instant coffee and palm oil derivatives entering scope on 30 December 2027.

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