



**Oil Palm Industry Corporation**

Papua New Guinea



# BRIEF HIGHLIGHT ON THE OIL PALM INDUSTRY PROGRAMS- 2025

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**Tuesday, 10<sup>th</sup> February 2026**  
**APEC HAUS**

**PRESENTATION BY: KEPSON KOMEA PUPITA, GENERAL SECRETARY**



## Medium Term Development Plan IV 2023-2027 high Development Target for the Oil Palm Industry.

The Government's goal for the Oil Palm Subsector is to double production level from 657,000 tons in 2021 to **1.3 million tons** by 2027 and increase the share of palm oil export value to **K5.3 billion** ( 66% ) of the total agriculture sector exports.

### The government Investment Programs for the Oil Palm Industry

- a. Oil Palm Development Program
- b. Downstream processing and industrial hub Development Program
- c. Customary land mobilization program
- d. Smallholder access road up grade and sealing Program and,
- e. Oil palm Research and Development Program.



## **Key result areas to achieve the high development targets for the Oil Palm Industry.**

- a. Establishment of the National Oil Palm Authority
- b. Redevelopment of 10 run- down plantations
- c. Customary land mobilization for large scale commercial plantation
- d. Replanting and extension services delivered to smallholder farmers
- e. 200km of smallholder excess road rehabilitated and maintenance
- f. Establishment of Oil Palm Downstream processing facilities established in PNG.
- g. Establishment of 5 commercial nurseries



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# High Development target performance

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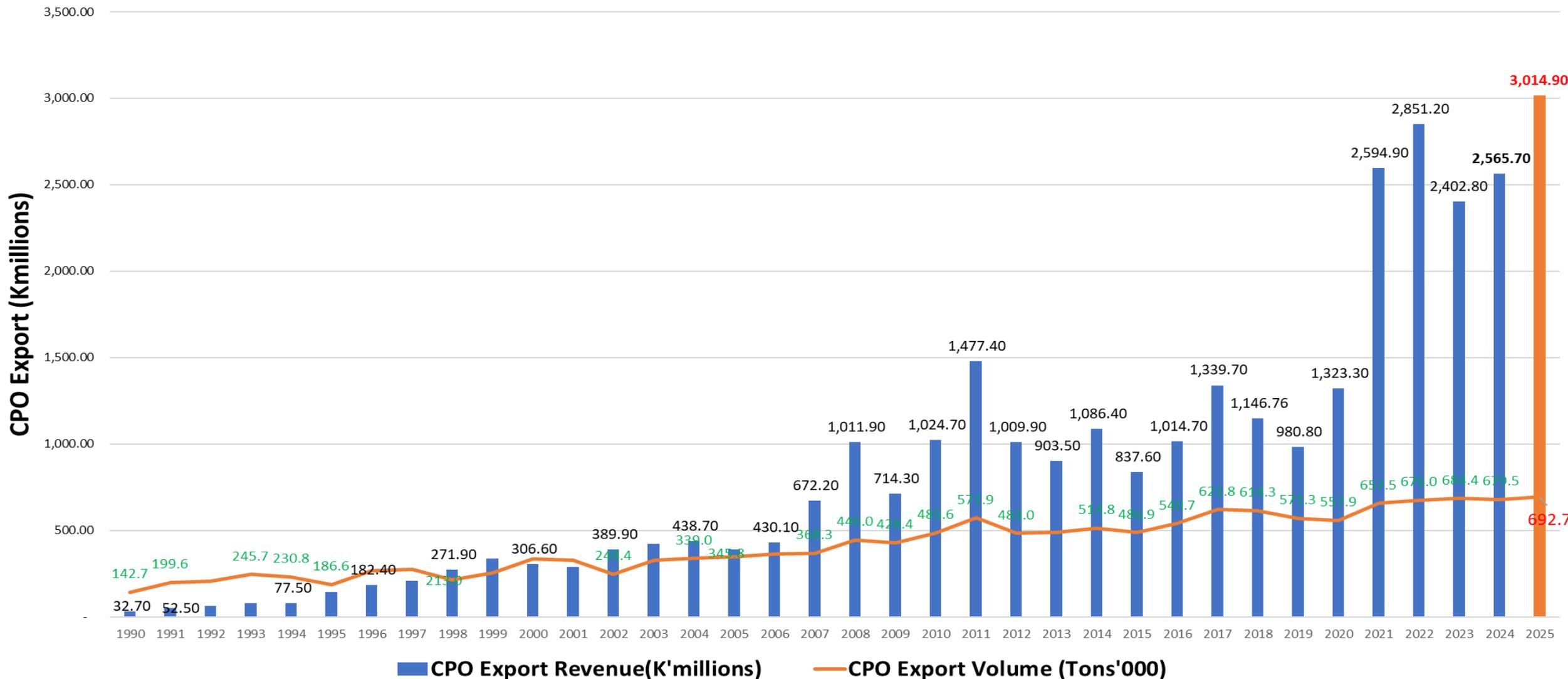


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## CPO Export Revenue(K'millions) against Volume(000 tons )-1990-2025





## CPO Export Revenue(k' Millions) MTDP targets against actuals

Year	MTDP III Targeted Export Revenue (K'm)	Actual Export Revenue (K'm)
2018	1,106.02	1,146.76
2019	1,205.57	980.80
2020	1,326.12	1,323.30
2021	1,458.73	2,454.60
2022	1,604.61	2,851.20
2023(MTDP IV)	3,851.10	2,402.80
2024(MTDP IV)	4,144.20	2,565.70
2025(MTDP IV)	4,454.80	3,014.90
Total	19,151.15	16,740.06

## CPO Export Volume(000 Tons ) MTDP targets against actuals

Year	MTDP III Projected Export Volume (000 tons)	Actual Export Volume('000 tons)
2018	550	614.3
2019	550	571.3
2020	600	557.9
2021	800	657.5
2022	1,000	676.0
2023(MTDP IV)	944	684.4
2024( MTDP IV)	1,014	679.5
2025( MTDP IV)	1,090	692.7
Total	6,548	5,134



## Smallholder FFB Production and Income- 2018-2025

Year	FFB Production	Farmers Net Income- PGK(57%)	Company Deduction- PGK(43%)	Farmers Gross Income- PGK
2018	775,215	243,856,636	183,959,938	427,816,574
2019	687,117	164,878,830	124,375,641	289,254,471
2020	733,724	230,672,018	174,016,898	404,688,916
2021	769,831	436,197,468	322,013,431	758,210,898
2022	819,356	552,551,718	416,837,261	969,388,979
2023	777,898	342,917,380	258,629,058	601,546,438
2024	701,923	339,161,589	255,858,743	595,020,332
2025	774,251	528,738,435	398,872,855	927,611,290
<b>TOTAL</b>	<b>6,039,314</b>	<b>2,838,974,074</b>	<b>2,134,563,823</b>	<b>4,978,817,691</b>



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# PROGRAM HIGHLIGHTS



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— Significant Achievement

# 1. National Palm Oil Policy 2025 – 2030

"A historic milestone for the industry, officially launched by the Minister for Finance Hon. Thomas Opa."



### Formal NEC Approval

Formally approved by the National Executive Council (NEC) on 10th March 2025.



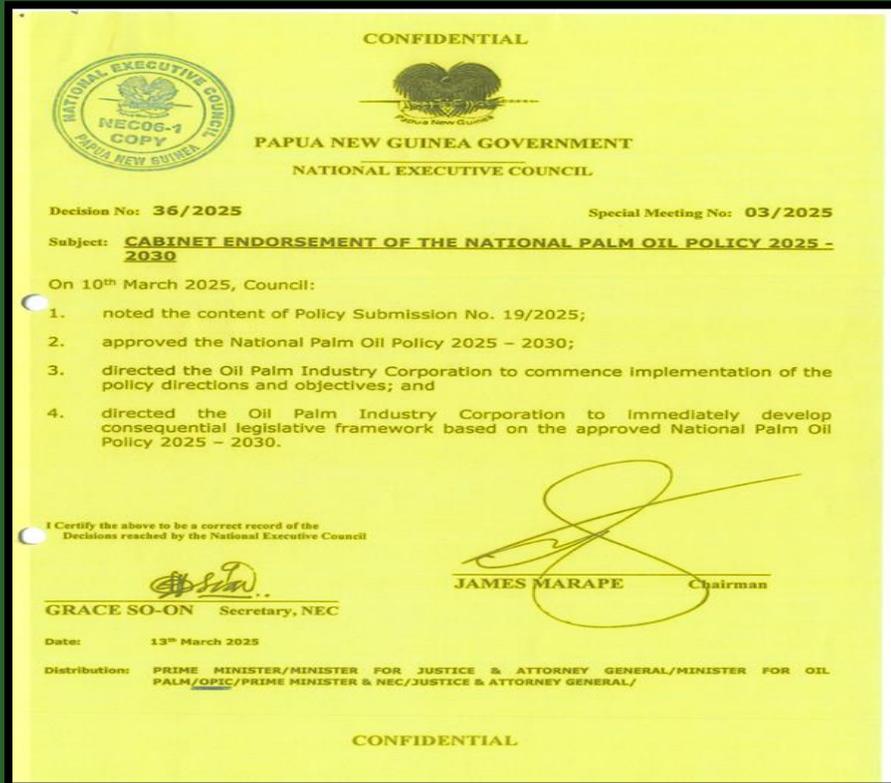
### Official Launch

Launched on **08th September 2025** by Minister Hon. Thomas Opa, marking a significant achievement.



### Strategic Roadmap

Defines the industry's direction for the 2025-2030 period under the new policy framework.



NEC Decision

No. 36/2025



# National Palm Oil Policy 2025-2030 official launch





## 2. Legislative Framework Development

Following the endorsement of the National Palm Oil Policy, two distinctive legislative instruments are now under development to modernize the industry.



### Oil Palm Industry Authority Bill 2026

#### Institutional Reform

**Establish Governance Framework:** Create the core institutional and governance structure for the sector.

**Strategic Transformation:** Transform OPIC from an extension service provider into a full-fledged **industry regulator**.

**Empowerment:** Grant legal authority to oversee industry development and administration.<sup>3</sup>



### Oil Palm Industry Management Bill 2026

#### Operational Regulation

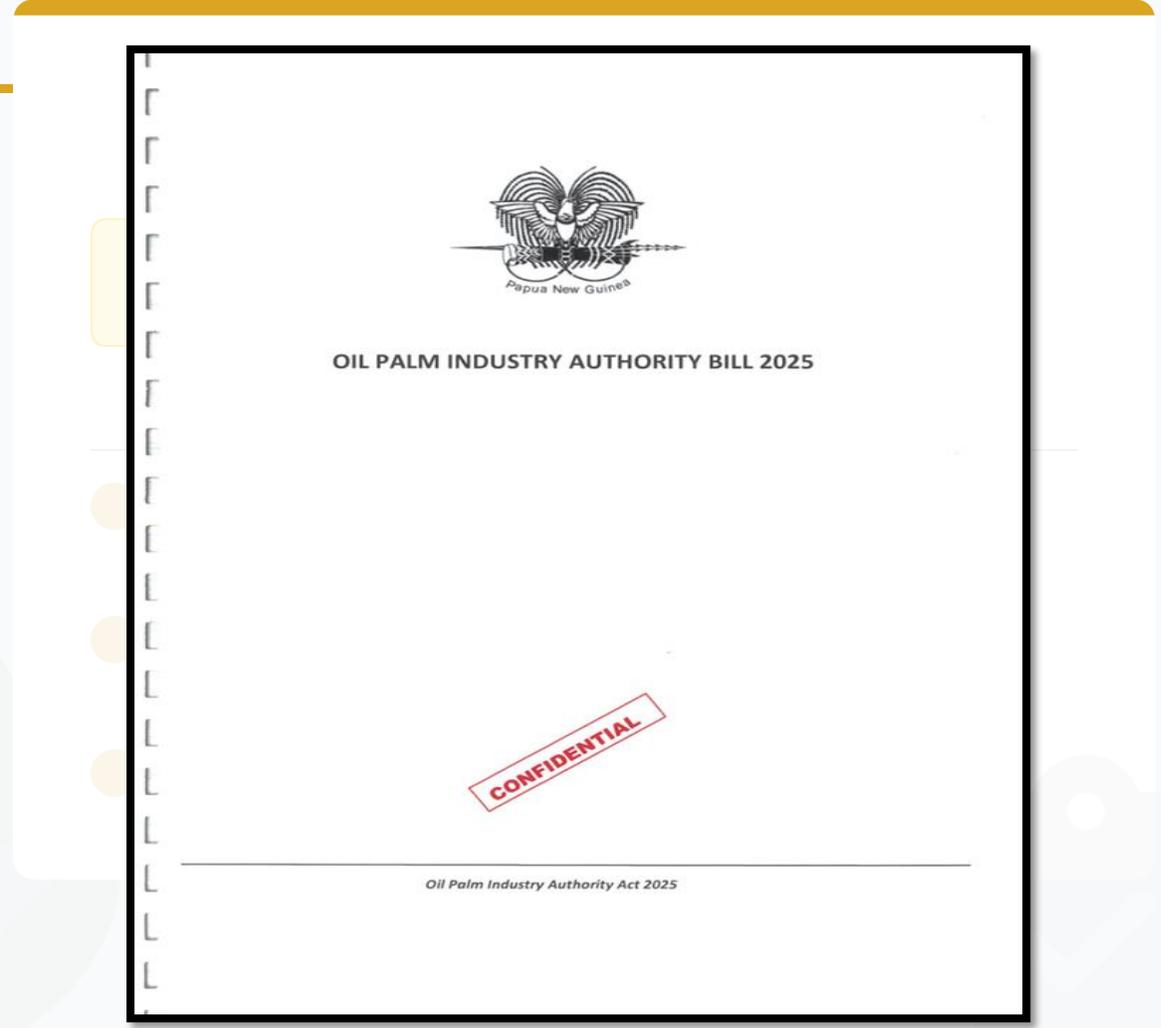
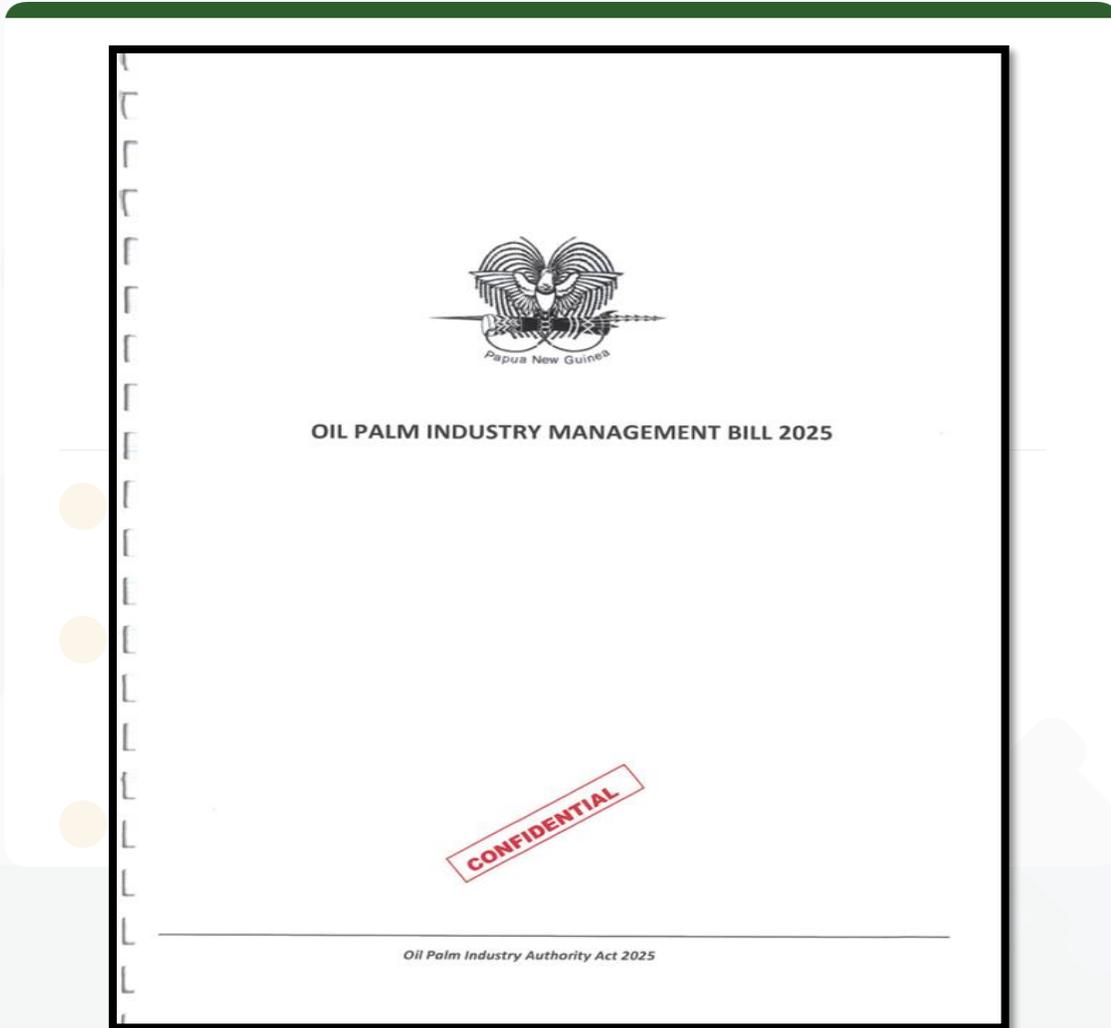
**Holistic Regulation:** Regulate the technical, commercial, and operational aspects of the industry.

**Control Mechanisms:** Manage systems for industry licensing, levies, and permits and FFB pricing

**Enforcement:** Ensure strict industry compliance with international and national standards.



# Legislative framework Development





Phase 2 Public Engagement

# 2.1. Stakeholder Consultation

A comprehensive nationwide engagement program gathering vital inputs from growers, industry partners, and provincial governments.



Dec 2025 – Jan 2026

Consultation Window

5 Locations

Validating Drafts



Approach Inclusive



Goal Consensus





# OIL PALM BILLS STAKEHOLDER CONSULTATION



**Lae, Morobe Province**



**Port Moresby, National Capital District**



**Kimbe, West New Britain Province**



**Wewak, East Sepik Province**



**Kokopo, East New Britain Province**

## 2.2. Post-Consultation Process

Validating & Finalizing the Framework



1

### Assess Comments

Analyze feedback received from all regional consultation workshops.



2

### Integrate Feedback

Revise and update the draft bills to reflect stakeholder inputs.



3

### Final Validation

Conduct validation workshops in the same provinces to confirm changes.



4

### Legal Clearance

Present final drafts to the State Solicitor & FLC before Parliamentary tabling.



**Ensuring a transparent and legally robust legislative foundation.**



## 2.3. Legislative Roadmap

Strategic Path to Parliamentary Approval





## 2.4. Expected Outcomes

Strategic Benefits of Legislative Reform



### Strengthened Regulatory Framework

Establishes robust legal foundations to standardize operations and ensure industry-wide compliance.



### Enhanced Governance & Accountability

Promotes transparency in decision-making and accountability across all administrative levels.



### Clear Authority Structures

Defines explicit roles for oversight bodies to eliminate ambiguity and streamline enforcement.



### Improved Management Mechanisms

Optimizes operational workflows across the entire value chain for greater efficiency.



### Sustainable & Inclusive Development

Ensures long-term industry growth that benefits smallholders and protects the environment.



# 3. New Developments

Expanding Horizons in the Oil Palm Industry

Growth Phase 2025-2030



Expansion

## Major Development Areas

Strategic identification and mobilization of new state and customary land for large-scale sustainable cultivation.

Opening new economic corridors in Sepik and Gulf regions

Infrastructure partnerships for accessibility

Land tenure regularization for investors



Growth

## Smallholder Expansions

Increasing participation within existing Oil Palm Project Areas to maximize yield and community impact.

Infill planting in Bialla, Hoskins, and Popondetta

Integration of VOP (Village Oil Palm) blocks

Targeting 20% increase in smallholder acreage

Women and youth inclusion programs



Support

## Development Initiatives

Comprehensive support ecosystems designed to empower smallholders and ensure long-term sustainability.



### Financial Access

Credit schemes for inputs



### Logistics Support

Roads & transport subsidies



### Extension Services

Technical training & advice



### 3.1. MAP SHOWING OIL PALM GROWING PROVINCES IN PAPUA NEW GUINEA





### 3.2 Major Oil Palm Development Area

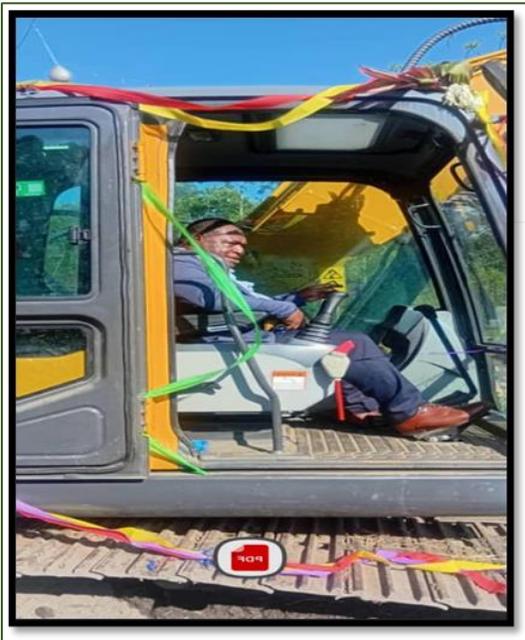
Province	Potential Ha	Target Ha
Morobe	155,500	60,000
Madang	913,720	80,000
East & West Sepik	1,224,590	120,000
Kikori Basin, Gulf	133,300	40,000
Middle Fly, Western	405,510	80,000
Milne Bay (Gadaisu)	16,301	16,301
Central, Abeda - SABL	120,000	15,000
<b>Total</b>	<b>2,968,921</b>	<b>411,301</b>

### 3.3. Smallholder Expansion in established oil palm Projects.

Province	Potential Hectares	Target Hectares
Hoskins, WNB (NBPOL)	5,000	5,000
Bialla, WNB (HOPL)	3,500	3,500
Popondetta, Oro (Higaturu)	10,000	10,000
New Ireland (Poliamba)	3,000	3,000
Milne Bay (Milne Bay Estates)	3,000	3,000
Morobe (Markham Farming)	9,000	9,000
Madang (Ramu Agri)	6,000	6,000
Turubu, (Wewak) - SABL	10,000	5,000
Bevani (Vanimo) - SABL	10,000	5,000
Kairak (Pomio) - SABL	5,000	3,500
Illi Wawas (Gazelle) - SABL	5,000	3,500
Central, Abeda - SABL	7,000	3,500
<b>Total</b>	<b>76,500</b>	<b>60,000</b>

## 3.4. New Development in Morobe Province

### 3.4.1 Launching of the Zifazing smallholder oil palm access road Project.



- The launching of the Zifazing smallholder roads program Marks the beginning of oil palm development for smallholder in the Zifazing area.

### 3.4.2 MOU SIGNING WITH THE MOROBE PROVINCIAL GOVERNMENT FOR NEW OIL PALM DEVELOPMENT



## 3.4. New Development in Morobe Province

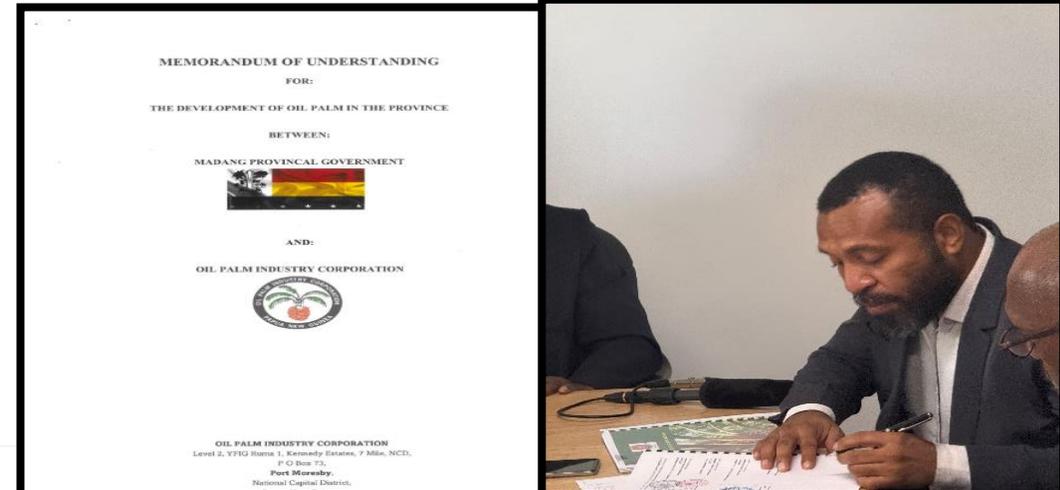
### 3.4.3 - Establishment of a 10ha Nursery in Erap Markham Morobe Province



## 3.5. New Development in Madang Province- 17<sup>th</sup> April,2025

### Steps already taken by OPIC;

- a. Rapid Spatial analysis of Madang province for New Oil Palm Development.
- b. Sign a Memorandum of Understanding with the Madang Provincial Government.
  - The MOU outlines Customary land mobilization, identification and acquisition for new oil palm development





## 4. MOU with the Popondetta Provincial Government- 18<sup>th</sup> August 2025

The purpose of this MOU is to work in partnership with the Oro Provincial Government to facilitate activities related to New Oil Palm Development and smallholder expansion in Oro Province





## 5. MOU with National Energy Authority- 06<sup>th</sup> March 2025

The purpose of the MOU;

- a) Promotion of the use of converting oil palm waste to energy sources such as biomass, biofuel and biogas renewable energy
- a) consequentially the implementation of waste to energy and bioenergy projects.

This MOU is a step taken by OPIC to benefit the Oil Palm Smallholders sustainably.



### MEMORANDUM OF UNDERSTANDING

FOR:

THE DEVELOPMENT & IMPLEMENTATION OF  
WASTE TO ENERGY & BIOENERGY PROJECTS  
IN PAPUA NEW GUINEA

BETWEEN:



THE NATIONAL ENERGY AUTHORITY

AND:



THE OIL PALM INDUSTRY CORPORATION



# 6. Replanting Program

Government Support to Smallholder Seedlings

Sustainability Cycle

## National Initiative

A strategic government intervention designed to replace aging palms with high-yield varieties, ensuring the long-term viability of the smallholder sector.

## Seedling Support Program



To mitigate high establishment costs, the government is rolling out a comprehensive seedling subsidy scheme. This ensures smallholders have access to premium planting materials without the financial burden.

- ✓ Cost Subsidy
- ✓ Logistics Included

**Quality Genetics**  
Sourcing superior seed stocks

**Subsidized Support**  
Government funding for inputs

**Distribution**  
Delivery to smallholder blocks

**Smallholder Benefits** Impact

- Reduced capital expenditure for replanting
- Professional technical assistance
- Faster maturity periods

**Productivity & Sustainability** Future

- Replacing senile palms boosts yield per hectare
- Optimizing land use efficiency
- Disease-resistant varieties



## 6.1. Replanting Program- Government Support to smallholder seedlings

Project	Hectares	Amount(K)	Total No. of Seedling	Seedling Rate
Hoskins- First phase of replant	400	576,000	48,000	K12/Seedling
hoskins- second phase of replant	250	540,000	30,000	K18/Seedling
Bialla- First phase of replant	200	288,000	24,000	K12/Seedling
Bialla- Second phase of replant	100	216,000	12,000	K18/Seedling
Popondetta- First phase of replant	250	540,000	30,000	K18/Seedling
Milne Bay- First phase of replant	100	216,000	12,000	K18/Seedling
New Ireland- First phase of replant	150	324,000	18,000	K18/Seedling
Markham- New Planting	275	600,000	33,000	K18/Seedling
Support to independent estate replanting program		300,000		
Cost of Launching of the replant program		625,000		
Support to Growers association for replant program		350,000		
Logistics support to OPIC project areas to assist with replanting program		300,000		
overheads- Airfares and hotel accomodation		966,689		
<b>Grand total</b>	<b>1,725</b>	<b>5,841,689</b>	<b>207,000</b>	<b>-</b>



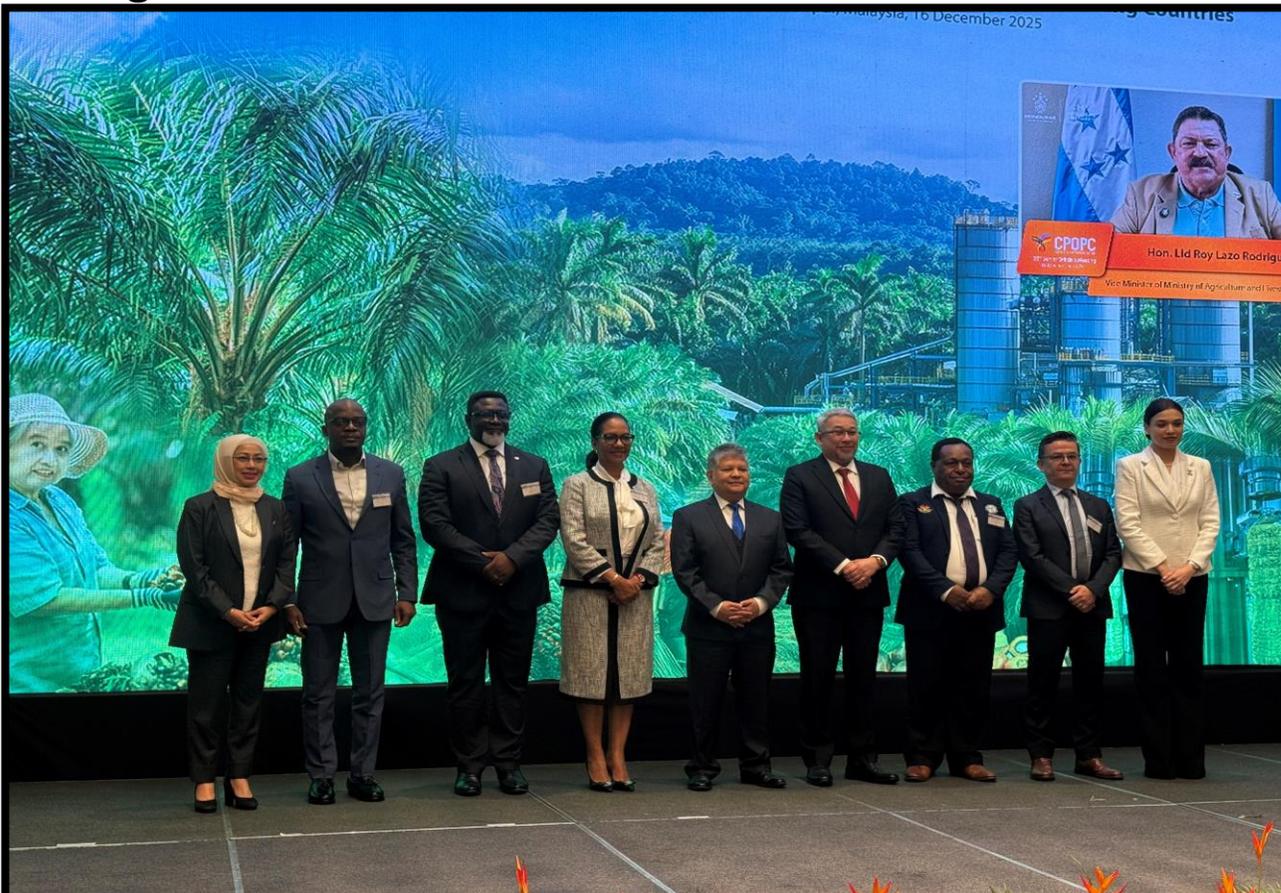
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## 7. Council of Palm Oil Producing Countries

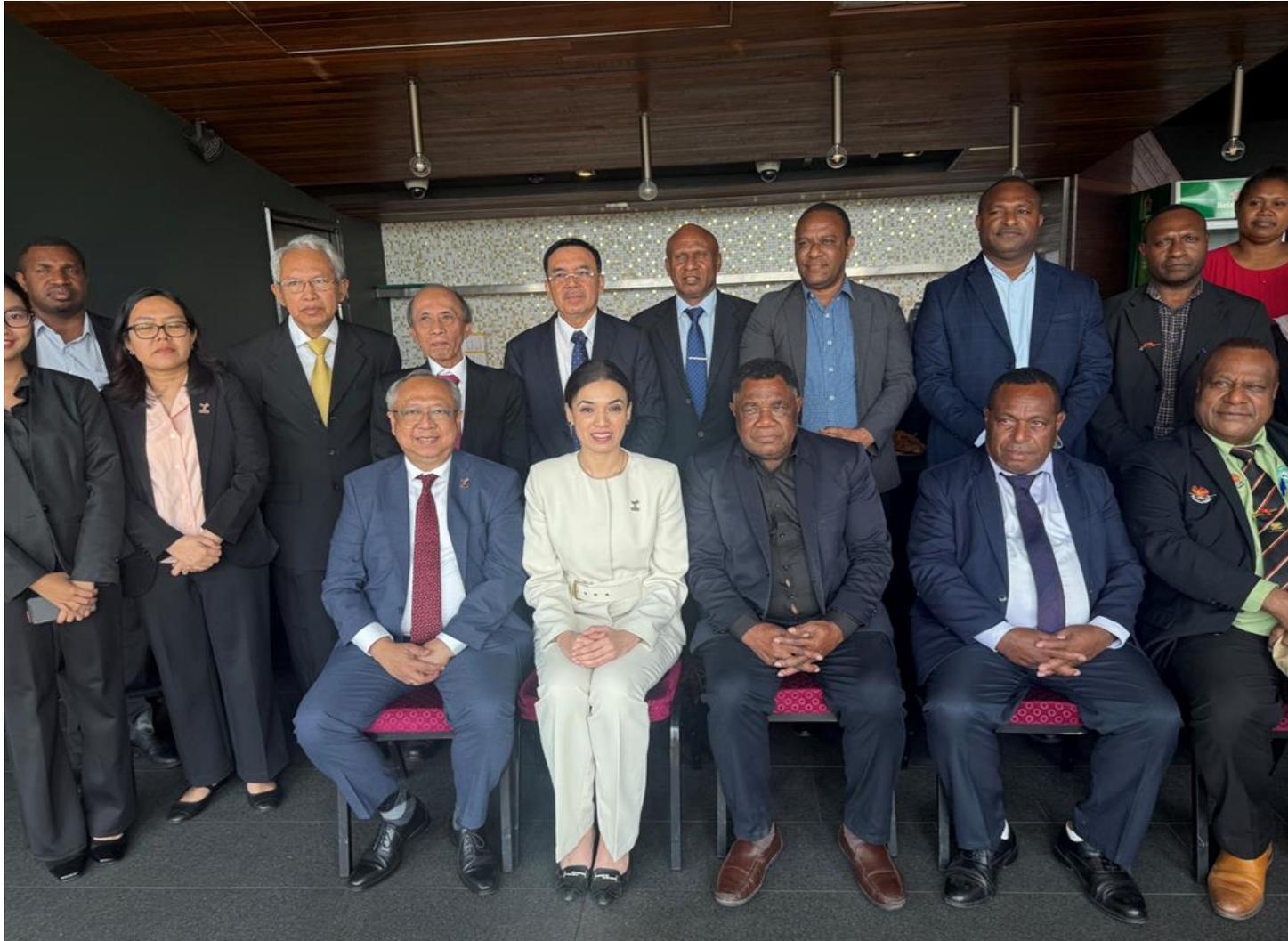
### 7.1- 13<sup>th</sup> Ministerial Meeting and 30<sup>th</sup> SOM meeting, Kuala Lumpur, Malaysia

The meeting deliberated on the review of CPOPC ongoing programs and initiatives, discussion on current challenges and opportunities within the global palm oil sector and endorsement of the CPOPC workplan and Budget for 2026





## 7.2- SPECIAL ECONOMIC ZONE MEETING



### Key Objectives

- Boosting production and Investment
- Infrastructure Development
- Economic Diversification and Modernization
- Social and Economic Impact





## CHALLENGES, ISSUES AND WAY FORWARD

### 1. Inconsistency in Government Funding allocation

### 2. Replanting

Problem - Cost of replanting is increasing and availability of planting materials are limited

Solution – development of smallholder nurseries for replanting program in all Oil Palm Project areas

### 3. FFB Pickup

Problem- Transportation of FFB is limited

- Cost of pickup is increasing
- law and order issues

Solution – Consider FFB price review

- review pickup schedules as per smallholder harvest routine





## 4. Smallholder Roads

Problem- Deteriorating smallholder access roads due to weather conditions

- Inconsistency in Government Fund

Solution - continued maintenance of smallholder access roads

## 5. Smallholder fertilizer application

Problem – Increase cost of fertilizers

- No Production of oil palm fertilizers in the Country.

Solution - Educate farmers on the importance of fertilizer application

## 6. Deceased estate and lost titles

Problem - Block holders don't have the capacity to pursue with title replacement

- Titles affects replanting as it is a requirement for replanting.

Solution - Consider the process under the land Act 1996 and research into process under the curators office to successfully replace lost and deceased titles.





## **7. Lack of application of Uniform standard across the Industry**

Solution- Develop a uniform system across all project areas for accurate data and information recording and reporting

- Proper palm stand Census

## **8. In adequate institutional capacity**

## **9. Lack of Research and Development and Best Management Practices**

Solution- Increase Research and Development

- Educate smallholders on Best management practices which is currently the most cost effective technique to boost small holder production.

## **10. Law and order issues**

### **MOST IMPORTANTLY**

Is to Review of the Oil Palm Industry Corporation Act 1992. This will pave way for OPIC to be a regulator which will solve all our legacy issues.



**Oil Palm Industry Corporation**

**Papua New Guinea**



# Thank You

Partners in Progress

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