Rubber represents the second largest export category from Indonesia to the U.S., valued at 1.02 billion USD in 2015, or 5.1% of total Indonesia-U.S. exports. It is an important contributor to rural livelihoods and economic development, as well as a key raw material input important for U.S. producers and consumers. However, the sector continues to underperform due to low investment capabilities of farmers. Inferior planting materials, inadequate soil nutrition, and improper tapping technique result in reduced yield and quality. Central Kalimantan rubber productivity (500 kg/ha) is about half the national average (1,080 kg/ha) and well behind neighboring countries such as Thailand (1,800 kg/ha) and Malaysia (1,510 kg/ha).

To address this challenge, USAID LESTARI has facilitated strategic partnerships that connect smallholder farmers with rubber suppliers, banks, and rubber processors. The objective is to upgrade local rubber production through training, financing, and equipment provision, and then link the farmers to buyers that will value that upgrade in quality through higher prices.

The initiative targets 3,000 rubber farmers and will impact 6,000 hectares of smallholder rubber plantations over the next 3 years. 493 members of the rubber farmer group have already realized economic benefits from the initiative by selling their higher quality Bokar Bersih at prices that are 40-90% higher than before. The partner rubber processor, PT Insan Bonafide, exports approximately 60% of its output to major American tire manufacturers including Good Year and Bridgestone.