

Turning Risk to Opportunity: Sustainable Expert Insights on Indonesia's Path to EUDR Compliance

- *Indonesia's agricultural sector plays a crucial role in the economy. However, the industry faces challenges such as **deforestation, greenhouse gas emissions** from land-use changes, and lags in global value chain integration due to limited technological capabilities, affecting product quality and production efficiency (World Economic Forum, 2024; World Bank, 2022)*
- *As global regulations tighten and consumers demand greater transparency, businesses that proactively adopt supply chain traceability solutions will have a competitive advantage.*
- *[KOLTIVA](#) has developed end-to-end traceability solutions, [KoltiTrace](#), a supply chain management platform that provides real-time insights into product origins, supplier compliance, and sustainability risks. Supported by [agronomists and field officers](#), Koltiva also provides training, conducts on-site evaluations, and assists suppliers in adopting sustainable practices.*

Jakarta, 18 March 2025 – The evolving European Union Deforestation-Free Regulation (EUDR) continues to reshape global trade dynamics, placing sustainability at the core of market access requirements. Designed to prevent products linked to deforestation from entering the EU market, its implementation has faced hurdles, including delays, proposed amendments, and ongoing political discussions. These evolving dynamics present both challenges and strategic opportunities for commodity-producing nations like Indonesia.

To address these pressing issues, **BeyondTraceability Talks**, a hybrid forum hosted by **Koltiva**, brought together key industry stakeholders to discuss the evolving landscape of EUDR compliance. The discussion featured insights from **Ainu Rofiq**, Co-Founder and Board Member of Koltiva, **Diah Suradiredja**, from the Secretariat National Dashboard Development at Indonesia's Coordinating Ministry of Economic Affairs (CMEA), and **Insan Syafaat**, Executive Director at PISAgro. The forum delved into the complexities of the regulation, the economic implications for Indonesian exports, and strategies for enhancing sustainability in global supply chains.

The recent 12-month delay in EUDR enforcement reflects the complexities surrounding its implementation. While this postponement offers flexibility, it also highlights concerns from various stakeholders regarding its impact on global trade. For Indonesia, the

regulation demands substantial investment in traceability systems, capacity building, certification processes, and supporting technologies—posing significant challenges, particularly for smallholder producers.

“The current regulatory framework presents significant challenges for smallholders,” says Ainu Rofiq, Co-Founder and Board Member of [Koltiva](#), a leading agricultural technology company focused on sustainable supply chains. “Without proper support, these producers could be left behind, unable to meet compliance requirements and ultimately excluded from global trade.”

Despite these challenges, there is a clear path forward—one that leverages technology, direct field engagement, and inclusive business models to bridge the gap between smallholder producers and regulatory compliance. [Koltiva](#) has developed an integrated approach that ensures transparency, accountability, and sustainability, enabling businesses to navigate the complexities of EUDR while supporting smallholder inclusion. With EUDR set to be fully enforced by 2026, the time for action is now. As the global market shifts toward sustainable, deforestation-free commodities, collaboration between government bodies, industry leaders, and technology providers is critical in ensuring Indonesia remains a key player in the international trade landscape.

Technology-Driven Traceability for Compliance

Indonesia's agricultural sector plays a crucial role in the economy, with agricultural exports reaching USD 52.9 billion and imports at USD 30.3 billion in 2023, reflecting a positive trade balance ([Antara, 2023](#)). However, the sector faces deforestation and greenhouse gas emissions from land-use changes and lags in global value chain integration due to limited technological capabilities, affecting product quality and production efficiency ([World Economic Forum, 2024](#); [World Bank, 2022](#)). To support smallholders impacted by restrictive European regulations, Indonesia's government is working on protection measures initiative such as developing **National Dashboard**, an integrated data system designed to ensure transparency and traceability in commodity supply chains.

According to Rofiq, businesses must shift from reactive to proactive supply chain management by investing in technology-driven traceability solutions. He explains that companies failing to monitor their sourcing practices risk losing market access, facing legal consequences, and damaging their brand reputation. To stay competitive, businesses must demonstrate complete traceability and accountability across their supply chains.

One of the key aspects of [EUDR compliance](#) is supply chain traceability. Koltiva's flagship solution, [KoltiTrace](#), provides real-time insights into product origins, supplier compliance, and sustainability risks. The platform enables businesses to conduct risk assessments, implement mitigation strategies, and ensure alignment with evolving regulations frameworks.

Field Verification and Direct Engagement

While digital solutions are important, Rofiq highlights that compliance cannot be attained solely through data collection. The on-ground team collaborates directly with producers, cooperatives, and suppliers to verify sustainability practices in the field. These experts perform field audits, offer training on sustainable farming techniques, and assist farmers in meeting regulatory standards.

"Relying on digital reports alone is not enough," says Rofiq. "Sustainability claims must be verified in the field to ensure credibility. That's why the hybrid approach—combining technology with hands-on field engagement— is the most effective way to build trust and ensures real impact."

Empowering Smallholders Through Capacity Building

Beyond compliance, empowering smallholder producers with the necessary knowledge and tools is crucial for ensuring their competitiveness in global markets. Programs that combine digital and [in-person training](#) sessions play a key role in equipping farmers with essential skills, including good agricultural practices, financial literacy, and regulatory requirements. These initiatives help smallholders navigate complex sustainability standards and strengthen their market access.

"Education is critical in ensuring that smallholders are not excluded from global supply chains," says Rofiq. "By equipping them with the right skills, we help them improve productivity, increase income, and meet international standards. "

As the debate over the EUDR continues, businesses must take proactive steps to future-proof their supply chains. While the regulation presents challenges, it also offers an opportunity to drive meaningful change in sustainable sourcing. Companies that invest in traceability, verification, and smallholder inclusion will not only meet compliance requirements but also position themselves as leaders in ethical trade.

"With the right combination of technology, field engagement, and capacity building, we can turn compliance into a competitive advantage," concludes Rofiq.

As regulatory landscapes continue to evolve, businesses that embrace transparency and innovation will be best positioned to thrive. Navigating EUDR compliance while driving positive impact for smallholder producers and ensuring long-term sustainability in global trade. Watch the discussion featuring Ainu Rofiq in recent BeyondTraceability Talks, hosted by Koltiva, at <https://www.koltiva.com/beyond-traceability-talks-vol2>

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About KOLTIVA

Offering human-centered technology and boots-on-the-ground solutions that digitize agribusinesses and help smallholder producers transition to sustainable practices and traceable sourcing, **KOLTIVA** is recognized as the leading global sustainable agriculture and supply chain traceability company. As a global technology provider, it constructs ethical, transparent, and sustainable supply chains, assisting enterprises in fortifying their resilience and transparency. The company helps businesses, and their suppliers comply with ever-changing regulations and consumer demands worldwide with traceability solutions. Operating in more than 66 countries and fortified by a network of customer support offices in 20 countries, KOLTIVA is committed to supporting over 18,300 enterprises in establishing transparent and robust supply chains while empowering over 1,840,000 producers to increase their annual income. www.koltiva.com

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