The purposes of this study were: (1) to define problems and solutions of the palm oil value chain of PT Sari Lembah Subur, (2) to identify the CSR programs beneficial to the sustainability of the farmers palm oil business, (3) to formulate CSR programs in order to increase quality and productivity of the farmers palm oil products.

The sampling was selected purposively to conduct interviews and consisted of CSR managers in PT. Astra Agro Lestari and PT. Sari Lembah Subur, extension workers from PT. Sari Lembah Subur, chairs of farmers groups, chairs of cooperative boards, suppliers and farmers. Data was analyzed using SWOT analysis and Analytical Hierarchy Process (AHP).

Research result indicated that palm oil value chain of PT Sari Lembah Subur started from seed suppliers or seed producers, plasma and independent farmers, farm labours, TBS suppliers, auctioneers, exporters, PT Sari Lembah Subur, distributors, to retailers. Strategies recommended for CSR implementation were : (1) improving Good Agriculture Practices (GAP) for PT Sari Lembah Subur Farmers, (2) covering CSR programs for whole palm oil areas owned by the company, (3) implementing early partial replanting for oil palm farmers, (4) recruiting extension workers from farmers community, (5) purchasing products from independent farmers at price accordingly to established standard, (6) building and strengthening farmer group institutions, (7) encouraging farmers to adopt saving habit through collaborative program with banks, (8) involving field workers of PT Sari Lembah Subur in their spare time in assisting GAP extension program for oil palm farmers, (9) providing loans through farmers cooperative.

Programs suggested for the related CSR strategies were : (1) providing good quality of palm oil seed for both plasma and independent farmers, (2) providing supply assurance to meet farmer demand for palm oil seeds and fertilizer, (3) applying tough sanctions on low quality of oil palm seed suppliers, (4) conducting intensive extension and counseling of GAP for farmers and farm labours.

Keywords: palm oil industry value chain, PT. Sari Lembah Subur, CSR program, palm oil farmer sustainable business