Oil palm is a globally important commodity, accounting for 38% of total vegetable oil production, yet it is highly controversial. Palm oil is linked to rural and national development in the countries that grow it, but also with increased greenhouse gas emissions, biodiversity loss, land grabbing and land conflict. In Indonesia, where 55% of world production occurs, palm oil is a major tool for advancing national development goals due to the high participation of smallholders in its production. A key vehicle for implementing palm oil as a development tool in Indonesia is the smallholder scheme – whereby smallholders are tied by contract to a central mill/plantation company, in theory ensuring guaranteed supply for the company and agricultural extension and inputs for smallholders. This project examines the livelihood impacts of the “One-Roof Management” or Kemitraan Manajemen Satu Atap (KMSA) smallholder scheme system whereby the plantation company is able to manage both its landholding and that of the smallholder scheme with smallholders receiving only the dividends of production. This is a major change in the smallholder-company relationship resulting from a 2006 legislative change that sought to reduce corporate risk from smallholder schemes. I examine the impacts of these new contractual arrangements via an ethnographic analysis of three divergent villages linked to one plantation in West Kalimantan, Indonesia. Our approach gives explicit attention to differences in livelihood outcomes at both village and sub-village levels. I find differences in the benefits obtained by smallholders and identifies smallholders’ pre-existing wealth and status, as well as village-level land holdings and leadership as critical reasons for these differences. I do not find extreme negative impacts hypothesized to result from KMSA systems. Instead, reductions in potential benefits (e.g. size of smallholding) appear to be offset by improved security of land tenure. However, we conclude by arguing that these relative benefits may change over the course of the scheme as the benefits of secure tenure may not outweigh reduced monetary returns. This case has relevance to wider debates on the role of private companies in development, because it presents a case of corporate-driven policy reform having some beneficial livelihood outcomes.