Vol. 10. No. 1, Apr-Jun 2021

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KH777-8

INTRODUCING

2-IN-1

EFB FUEL FIBRE PRESS

SPECIFICATIONS

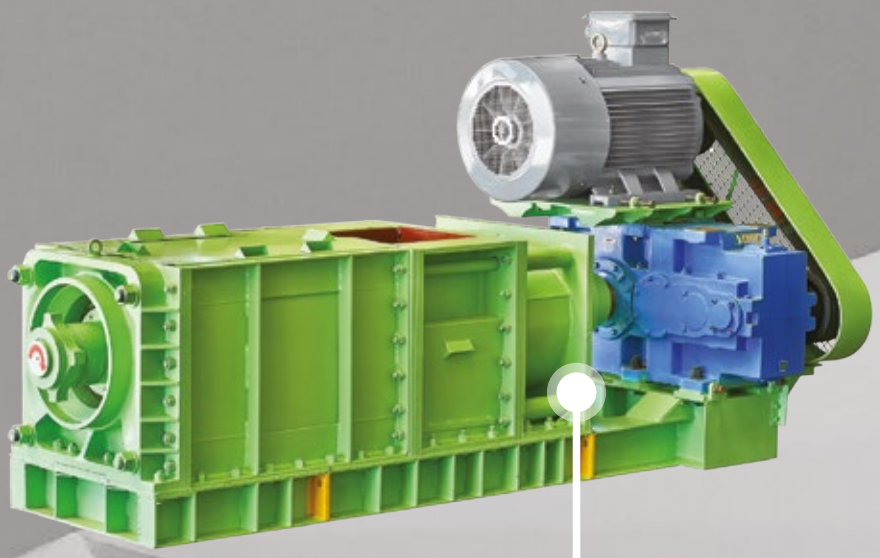
FUNCTION
A SINGLE STEP MACHINE FOR PRESS AND CUT.

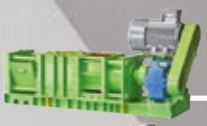
CAPACITY
6-8 *MT OF EFB/HOUR*

FIBRE LENGTH
1-6 *INCHES*

MOISTURE CONTENT
38%-45% *(AFTER PRESS)*

OIL CONTENT IN FIBRE
1.0%-1.5%
**ON SAMPLE (WET BASIS)*




KH777


KH777-12


KH777-15

INTERCHAGEABLE

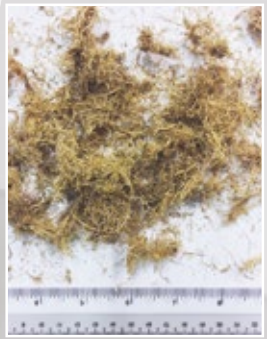
PRODUCT OVERVIEW

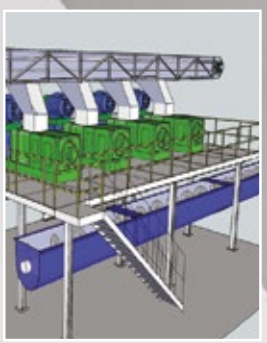
KH777-8 ABLE TO SQUEEZE OUT THE JUICE FOR OIL RECOVERY AND MOISTURE REDUCTION WHILE A SPECIAL ARRANGEMENT OF WORM SET CARRY-OUT THE EFB FIBRE SIZE REDUCTION AND FINALLY USING CUTTER KNIVES TO CONTROL THE LENGTH.

THE USES OF EFB FIBRE

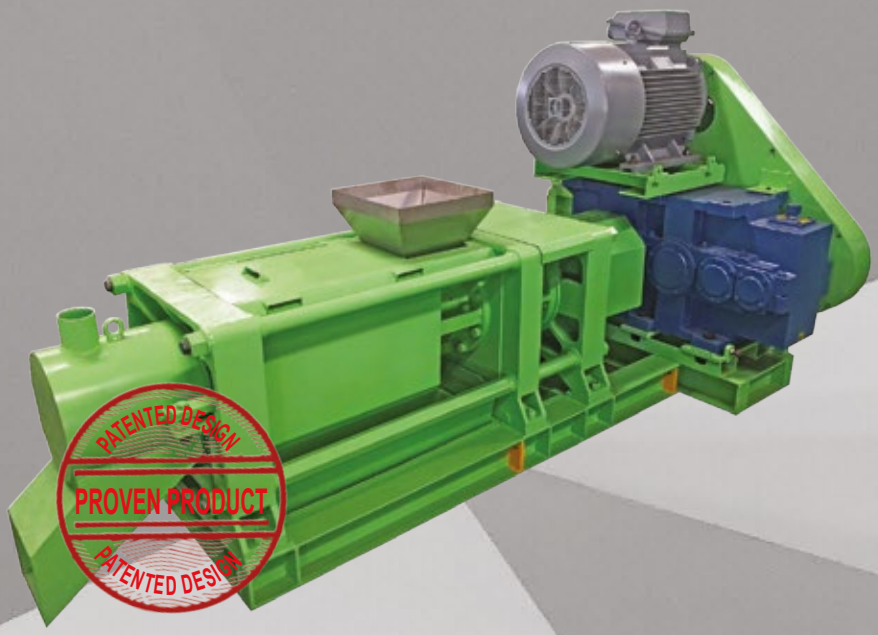
- MULCHING
- BOILER FUEL
- COMPOSTING

SINGLE LEVEL PLATFORM FOR EFB BOILER FUEL PREPARATION PLANT





YTH-9.35 & YTH-9.18



AUTOMATED SEED PRESS MACHINE
YTH-9.35 & YTH-9.18

- MAINTENANCE WORK BECOMES MUCH EASIER TO DISMANTLE THE DETACHABLE PRESS SHAFT.
- CONSEQUENTLY, MACHINE IS PROVEN THAT THE SHORTEST DOWNTIME IS ACHIEVABLE.

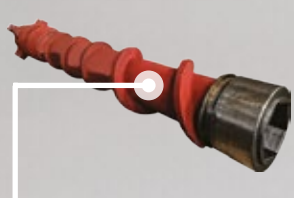
CONVENTIONAL
KERNEL EXPELLER MACHINE

- IT REQUIRES LONG TIME TO REMOVE WORMS AND COLLARS FROM THE MAIN SHAFT.
- CARRYING OUT MAINTENANCE WORKS WHILE THE PLANT IS RUNNING POSES A DANGEROUS WORK SITE.

- REDUCTION OF SLUDGE IS ONE OF THE VITAL IMPROVEMENTS FROM THIS NEWLY LAUNCHED MACHINE DESIGN CONCEPT.
- HENCE, PROBLEM OF CLEARING SLUDGE AND OVERFLOW OF OIL FROM OIL PAN IS REDUCED.

- HIGH PERCENTAGE OF SLUDGE FORMED WILL ACCUMULATE AT OIL PAN AND OBSTRUCT OIL FLOW.
- SO, MANPOWER IS NEEDED TO REMOVE THESE SLUDGE TO PREVENT OIL OVERFLOW.

PHOTO GALLERY


PATENTED SHAFT DESIGN


PROJECT PHOTO


FINAL KERNEL CAKE

LARGEST

2ND PRESS

CAPACITY IN THE INDUSTRY

SPECIFICATIONS

FUNCTION

CRUSHING PALM KERNEL TO EXTRACT OIL AND CAKE

CAPACITY

1ST PRESS :30-35MT OF PK/DAY

2ND PRESS :16-18MT OF 1ST PKE/DAY

OIL CONTENT IN FINAL CAKE

<6.5%

PRODUCT OVERVIEW

YKL GROUP IS INTRODUCING THIS MOST FUNCTIONAL EXPELLER MACHINE IN THE KERNEL CRUSHING INDUSTRY WHICH IS CAPABLE OF ACHIEVING MAXIMUM THROUGH-PUT WITH MINIMUM OIL AND SLUDGE IN THE FINAL PRESS CAKE. HENCE, RESULTED IN HIGHER OER IN YOUR KCP PLANT.

PRODUCT IMPROVEMENT

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Editor's Message

We are celebrating our 10 years of publishing! We are beyond grateful to be able to work together as a team and continue to produce magazines despite the pandemic. Thank you for choosing us as your number one palm oil industry magazine and staying with us throughout the journey.

As we all know, the first batch of COVID-19 vaccines have been filled successfully nationwide. As manufacturers across the world took part in the production of vaccines, local pharmaceutical group Pharmaniaga Bhd. also grab the chance to produce their CoronaVac vaccine for the local use which has been booked by the government allocated to 12 million doses. With the ongoing vaccines distribution to most countries across the world, we are slowly seeing life to return to normal. Malaysia has already approved few live event and exhibition with strict SOP which is a good sign for the business and the country's economy.

Malaysia sought to reach an agreement with Indonesia in maintaining and developing the palm oil industry in both countries and also to oppose the discrimination on palm oil made by European Union (EU) several other countries as the anti-palm oil campaign contradicts the principles of free trade practices as indicated by the World Trade Organization (WTO).

Government also has been taking few efforts to dispute the anti-palm oil campaign and attacks that has been escalated. The Ministry of Plantation Industries and Commodities (MPIC) has imposed cess on the palm oil industry players, which is being tapped for conservation purposes. The ministry has also set up the Malaysian Palm Oil Green Conservation Fund which focus activities such as biodiversity conservation and forest tree replanting,

Susan Tricia
Editor

On behalf of the editorial team, I thank you for your continuous support in Asia Palm Oil Magazine. Stay in touch with us on www.asia-palmoil.com and follow us on Facebook and LinkedIn for more updates. Let›s pray for a better future, stay at home, and together we can fight the COVID-19 virus.

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SCOPE OF WORK

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- *Civil and structure works to house the new system*
- *SCADA for FFB handling and sterilization system*
- *Electrical works*

RESULTS

- **Increase mill capacity** by 20% without additional cost or footprint
- **Reduce manpower** at front end by 75%
- **Reduce steam consumption** by 30% and its relative condensate produced
- **Reduce sterilization cycle time** by 30%
- **Reduce operating cost** at front end by 65%

BONUS

- **Completed in 8 months with no mill stoppage**
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- **Enhanced work safety**
- **Industrial 4.0 ready**

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MPOB among Top 20 Malaysian Patent Applicants

Malaysian Palm Oil Board (MPOB) climbed four notches to be among the top 20 patent applicants listed by the Intellectual Property Corporation of Malaysia (MyIPO) for 2020.

MPOB ranked 17 in the list with nine patents compared with 21st in 2019 with seven patents.

Director-General of MPOB Dr. Ahmad Parveez Ghulam Kadir said the nine patents filed in 2020 have great potential for commercialization. "We only filed for patent breakthrough technologies with high potential for commercialization," he said.

MPOB's nine patents filed in 2020 included a multipurpose vehicle for carrying out operations in plantations, an oil separation system in the mill, and compositions for defense from pathogen infection and its method.

Others are method of bio-active peptides extraction from oil palm mesocarps, method for detecting adulterants in crude palm oil, composition and method of producing strand board, inhibition of cholinesterases by water-soluble palm fruit extract, corrosion inhibitor composition and method, as well as agricultural implement such as shaft and spike.

The multipurpose vehicle comprises a chassis, an engine to power the vehicle, a battery to power agricultural implements, an engine rectifier generator for charging the battery, and a hybrid system to incorporate one or more renewable energy source for charging the battery. Other components include a continuous variable transmission, an adjustable belt tensioner for adjusting vehicle speed or torque, a transaxle for transmitting power, one or more wheels, and one or more agricultural implements.

MPOB's oil water separation system invention is suitable for separating water from oil. It comprises a vessel in which an emulsion of oil and water is allowed to separate into a relatively low density oil component and a relatively higher density aqueous component.

MPOB's formulation for defense from pathogen infection is a product for improving plant growth, comprising a substrate prepared based on oil palm wastes or oil palm milling by-products and fungi from Trichoderma genus.

According to Dr. Ahmad Parveez, the recognition from the MyIPO is a testament to MPOB's commitment towards continued innovation and breakthrough, being the nation's research and development agency for Malaysia's palm oil industry.

"Intellectual property plays a significant role in contributing towards Malaysia's continuous development, especially in the palm oil industry. MPOB strives to develop innovative and breakthrough technologies in food and non-food sectors," Dr. Ahmad Parveez added.

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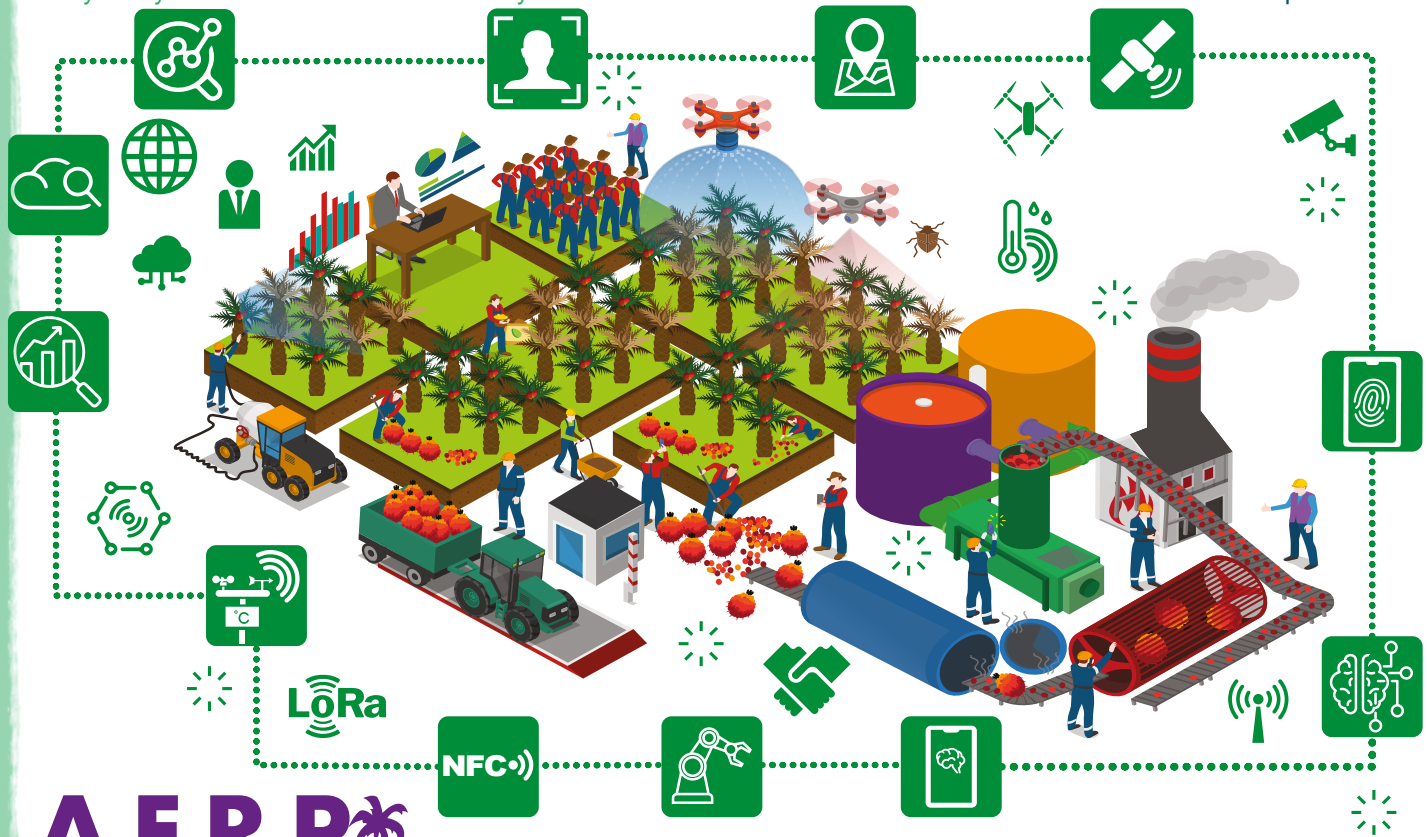
MMMP
MILL MICRO MACRO PROGRAM

The **Mill Micro Macro Program** focuses on Active Production Floor Control, Total Production Maintenance, Supplier Management, Oil Loss Reduction and Yield Optimisation



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Palm Oil Biodiesel Makes Volatile Bet for Indonesia's Pertamina

Cost and ESG risks threaten state energy company's low-carbon pivot

Indonesia and Malaysia, the world's top palm oil producers, face criticism over the industry's environmental cost. © Reuters

Indonesian state energy company Pertamina has committed to palm oil biofuel as it follows the global shift away from fossil fuels, but high costs and international pressure over the industry's deforestation show this approach carries its own risks.

President Director Nicke Widyawati announced the oil and gas group's plans for renewable energy earlier this month, saying the transition to bioenergy "can reduce carbon monoxide gas and hydrocarbon gas emissions by between 20% and 50%."

Palm oil is a major industry in Indonesia and Malaysia -- the two countries account for over 80% of the global supply. Pertamina is building a business strategy on this resource, even as the European Union, a big market, moves to end its use in transportation.

The energy group holds at least 80% of Indonesia's biodiesel market and plans to boost output by another 15% before 2024.

Its main biofuel product is B30 biodiesel, a blend of 70% standard diesel and 30% fatty acid methyl esters (FAME), a palm oil derivative. The company produced 24.7 million kiloliters of B30 last year at 28 sites in the country -- nearly half its estimated total fuel output in 2020, including petroleum-based products like gasoline.

Work also has begun on D100, a biodiesel made entirely from palm oil. Small quantities of D100 were produced on a trial basis last month, following a previous test in 2020, and Pertamina is developing technology to mass-produce it efficiently.

The pivot to biofuels comes amid swelling demand, including in Indonesia, which in 2018 mandated the use of 20% biodiesel in diesel autos and ships as well as such fields as construction. The required proportion of biofuel content has since increased to 30% and was to become 40% this year.

But recent developments in the palm oil industry have brought the fuel's risks to the forefront.

These include surging costs. Poor weather and a drop in foreign workers due to the coronavirus pandemic have hit the palm harvest in Malaysia, raising palm oil prices to their highest level in a decade. B30 biodiesel is over 20% more expensive than gasoline without government subsidies to keep the price down.

Yet even with that jump, the market price of B30 reportedly does not reflect the full cost increase for raw materials. Pertamina reported a 20% drop in revenue on the year to $20.4 billion for the six months through June, and a net loss of $900 million after a profit a year earlier.

"There is no use for production of very high cost FAME," Pertamina President Commissioner Basuki Tjahaja Purnama, also known as Ahok, told the government in December.

Jakarta heeded the appeal by Ahok -- a protégé of Indonesian President Joko Widodo -- and postponed the 40% biodiesel mandate.

Pertamina workers at fuel terminal: Some Indonesian officials see greater use of palm-derived biodiesel as a way to ease trade deficits. (Antara Foto/Irsan Mulyadi/via Reuters)

Criticism over the environmental damage caused by the palm oil industry remains another concern. The EU, a major palm oil market on par with China and India, has increased pressure on Indonesia to discourage deforestation by palm growers expanding their plantations.

The EU decided in 2018 to phase out the use of palm oil in transportation, reducing it to zero by 2030. Brussels sees preventing deforestation in Southeast Asia as necessary to achieve the targets in the Paris Agreement on climate.

Given European Commission President Ursula von der Leyen's tough line on environmental policy, there is speculation that a proposal for stricter rules to combat deforestation and promote sustainable food systems could come out as early as this year.

In a summit this month, the leaders of Indonesia and Malaysia agreed to work together against the EU's "anti-palm oil campaign," which they say runs counter to free trade.

Jakarta cannot easily withdraw from an industry that supports many jobs. The government also hopes that palm oil can be used to reduce imports of fossil fuels, which have contributed to trade deficits since the country's crude oil imports exceeded exports in 2004.

State-run Pertamina would have difficulty adopting a strategy at odds with the government's interests. But Pertamina's extensive business with international companies and financial institutions means the energy group cannot ignore the growing global emphasis on environmental, social and governance factors in business and investment.

"It is very possible that the opportunity to get ESG funds from foreign investment will decrease" if Pertamina focuses more on biodiesel, said Bhima Yudhistira Adhinegara, an economist and researcher at the Institute for Development of Economics and Finance, an Indonesian private-sector think tank. "Some investors include the palm oil industry and its derivative products as a sector with high risk to the environment."

Source: asia.nikkei.com

Bursa Revamps Crude Palm Kernel Oil Futures Contract

Bursa Malaysia Bhd said today its wholly-owned subsidiary Bursa Malaysia Derivatives Bhd (BMD) will launch the revamped Crude Palm Kernel Oil Futures (FPKO) Contract and implement enhancements to contract specifications to meet evolving industry needs.

The revamped FPKO Contract will be available to traders on March 8, 2021 according to Bursa's statement.

"The palm kernel physical market has seen considerable growth over the years and has established itself as one of the region's most important commodities. In addition, the FPKO Contract will serve as a tool for the lauric oil industry players to hedge their portfolio risk and enable transparent price discovery for the palm complex market players.

"The new enhancements aim to create an effective hedging instrument against the physical market and provide an alternative instrument for local and international participants to trade. Improvements to the contract have been applied across five main areas. They include contract grade, delivery points, daily price limits, speculative position limits as well as imposing traceability document requirements," Bursa said.

BMD chief executive officer Samuel Ho said in the statement that the revised FPKO Contract will cater to industry players' demand to hedge against the risk of adverse price movements in the lauric oil market.

Ho said the revamped FPKO Contract could also provide new trading opportunities for other market participants and add diversity to their existing instruments.

"After multiple industry consultations, necessary enhancement was made to provide a better contract based on the industry's needs and create a positive impact on the development of the Crude Palm Oil Kernel Oil (CPKO) market.

"We remain committed to engaging with key market stakeholders to develop more vibrant and attractive markets for our customers all around the world. The revamp will further strengthen BMD's palm complex offerings and enhance the 'stickiness' of traders and hedgers to our marketplace," Ho said.

Source: www.theedgemarkets.com

RSPO Says Its Criteria Is One of the World's Strictest on Deforestation

The Roundtable on Sustainable Palm Oil (RSPO) said its principles and criteria (P&C) are one of the world's strictest sets of criteria on deforestation because the P&C include a total ban on deforestation and require oil palm growers to protect high conservation value areas, high carbon stock forests, besides rare, threatened or endangered species to minimize greenhouse emissions and prevent fire.

In a statement yesterday, RSPO chief executive officer Beverley Postma said halting deforestation, preventing fire on oil palm concessions, and protecting peatlands and biodiversity remain some of the toughest challenges in commodity supply chains.

"Over the past 10 years, the RSPO has worked continuously with our stakeholders to scale up our monitoring and enforcement efforts," Postma said.

"We believe that our new suite of standards, adopted by our members in 2018, remains the best system available to help eradicate these issues," she claimed in the statement, which was issued in response to Greenpeace's report on certification.

According to RSPO's statement, the organization recognizes that it cannot solve the problem of deforestation alone.

The RSPO said the solution requires collaboration and a shared effort across agricultural commodity industries and supply chains with governments and non-governmental organizations in all producing and consuming countries.

"RSPO rules ensure that all voices are fairly represented and that all decisions are reached by consensus. This requires the active participation of businesses and civil society in all twenty-two committees and working groups, followed by the approval of our elected board of governors, and the general assembly.

"This process may be slow at times, but it is unquestionably fair and transparent. It is disingenuous and untrue to state or imply that RSPO decision-making is dominated by any one part of the palm oil supply chain," RSPO said.

RSPO said that in recent years it has taken great strides to strengthen its commitment to transparency and accountability.

RSPO said that since 2013, it has been a requirement for RSPO grower members to submit concession maps and that in 2018, RSPO made available satellite data relating to members' concessions and land cover through the public interactive map application GeoRSPO.

"This allows RSPO and its stakeholders to monitor and identify issues, such as land clearance and forest fires.

"The allegations of misconduct by our members identified in the (Greenpeace) report are in no way representative of our standards," RSPO said.

RSPO said it strongly encourages any organisation or agency with additional information about violations of the P&C found on RSPO member plantations to submit a formal complaint through RSPO's complaints system.

"The withholding of such information poses a barrier to our ability to independently investigate any alleged allegations and to bring about swift sanctions against those who violate our rules," RSPO said.

Source: www.theedgemarkets.com

Organization Trains Youth in Oil Palm Entrepreneurship

One hundred and one (101) learners have graduated from the University College of Agriculture and Environmental Studies (UCAES) at Bunso in the Eastern Region, after a 10-week competency-based training in oil palm.

The training was organized by Solidaridad, an international civil society organization that falls under the Agricultural Technical and Vocational Education Training (ATVET) initiative of the Government.

This first batch of learners were drawn from 146 oil palm-growing communities and enterprises in the Ashanti, Ahafo, Central, Eastern, Western, Western North, Oti and Volta regions.

Being the first of its kind in the country, the programme sought to build the skills of the youth for employment and entrepreneurship in the oil palm sector, and had been accredited by the Council for Technical, Vocational Education and Training (COTVET).

The Embassy of the Kingdom of the Netherlands, the Swiss Government, through its State Secretariat for Economic Affairs (SECO), and the German Development Agency (GIZ) are funding the training.

The beneficiary institutions include the University College of Agriculture and Environmental Sciences, Kumasi Institute of Tropical Agriculture, Asuansi Technical Institute in the Central Region, Father Dogli Memorial Technical and Vocational Institute in the Oti Region and Kpando Technical Institute, Volta Region.

The five educational institutions accredited by COTVET are running the training to provide support in six modules: Nursery Establishment, Land Preparation and Plantation Establishment, Harvesting, Farm Management, Processing and Quality Assurance, and Agribusiness Management.

The Acting Rector of UCAES, Dr Charles Brempong-Yeboah commended Solidaridad and its funding partners for rolling out the programme and said the learners were taken through instruction and internship training during their study.

He, however, appealed for the installation of more greenhouses on the campuses to aid the teaching and learning for the next batch of students.

The Regional Director of Solidaridad, Mr Isaac Gyamfi in a speech read for him, said the organization developed the competency-based training in partnership with the Ghana Skills Development Initiative, under the Sustainable West Africa Palm Oil Programme (SWAPP II), second phase implementation.

He said it fitted with Solidaridad's Theory of Change, based on the fact that efficiency in supply chains could only be achieved if the actors were business-minded and had the skillset to capitalize on opportunities.

Mr Gyamfi said it was for that reason the right investment had to be made to create agri-entrepreneurs and value-addition businesses to support farm workers to develop their skills aside their technical know-how.

That was crucial for the sustainability and improvement in Ghana's oil palm sector to increase productivity and compete with leading producers like Malaysia and Indonesia.

"Solidaridad's work does not end when the learners receive their certificates. This is because the end game for us is to enable the learners to find jobs in the oil palm sector as workers or entrepreneurs and contribute to their sustainable growth," Mr Gyamfi said.

The Dutch Ambassador, Mr Ron Strikker commended the youth for embracing agriculture for sustenance and reiterated the importance of technical and vocational education to the development of the economy.

He said the Dutch Government was extremely delighted that the programme, an idea conceived two years ago, had finally come to fruition.

He said the Dutch and Swiss governments had jointly supported Ghana's oil palm development through the SWAPP II, being implemented by Solidaridad, because they recognized the value of vocational and technical education.

"For us, we see opportunities to continue supporting the government of Ghana in its development agenda," Mr Strikker said.

The Swiss Ambassador, Mr Philipp Stalder congratulated the learners for a successful training and commended the Government of Ghana for investing in vocational and technical education.

He said the Swiss Embassy was looking forward to collaborating with Ghana in other areas to realize greater impact in competency-based training in oil palm, cashew and other agriculture sub-sectors as it had done in the last three years.

"Ghana remains a focal country for us and developing skills for employment and entrepreneurship will continue to be on our agenda for the next four years," he added.

The Head of Programme for Sustainable Economic Development at GIZ Ghana, Mr Detlev Axel Jahn said through the establishment of the Ghana Skills Development Initiative, the German Development Cooperation sought to introduce competency-based training standards and collaborative training models, which combined workplace and school based training modules to selected TVET institutions in Ghana.

That was expected to provide demand-driven training to job-seeking youth, apprentices and trade persons to build a confident and job-ready workforce to be attractive to the job market, he said.

In 2019 Solidaridad, under the SWAPP, supported the partner institutions with COTVET accreditation, as well as tools and equipment to run the training as part of its gender and youth inclusion agenda.

It also provided technical upskilling to lecturers and tutors from the five partner educational institutions on the oil palm ATVET curriculum in 2020.

Source: www.myjoyonline.com

Sinar Mas Agribusiness and Food Leverages R&D to Draw on Palm Oil's Health Benefits

R&D Centre of Sinar Mas Agribusiness and Food in Marunda, Jakarta.

The global COVID-19 pandemic has led to an increase in consumer concerns about food safety and nutrition. Sinar Mas Agribusiness and Food, one of the world's largest palm oil-based agribusinesses, has stepped up efforts to dispel misperceptions while raising awareness about the multiple health benefits of the world's most widely used edible oil.

"One persistent myth about palm oil is that it is unhealthy because it contains saturated fatty acids (SAFA). However, whole palm oil is typically 50% saturated, and 50% unsaturated fatty acids, which is quite different when compared to dairy and cocoa butters," said Dr. Paul Wassell, Head of Research and Development.

In fact, depending on the degree of refining, palm oil is the richest source of Beta-carotene, a natural source of Pro-Vitamin A. It is also a great source of tocotrienols (Vitamin E).

"Another confounding myth is that palm oil increases the risk of cardiovascular diseases, which is simply untrue. This is due to fundamental knowledge gaps about the differences between SAFA types: long, medium, and short chain, and their function." Wassell pointed out, "For instance, palmitic fatty acid (the most common SAFA) in oleic-palmitic-oleic (OPO) fats for infant formula, does mimic the OPO molecule that is naturally present in mother's milk."

Eliminating trans fats entirely from food supply

The fear of increased risk of heart diseases is driving global health regulators to ban trans fats, which can be found in partially hydrogenated vegetable oils. The U.S. Federal Drug Administration and the WHO plan to eliminate industrial trans fats by 2020 and 2023, respectively.

F&B conglomerates have turned to natural palm oil, due it being naturally free from industrial trans fatty acids and not needing to undergo hydrogenation to be modified, unlike sunflower, rapeseed, and soybean oils. Among the four major commodity oils, palm oil remains free from genetic modification -- a non-GMO oil.

"Adding hydrogen makes an oil more saturated and may result in the formation of trans-fatty acids, so palm oil's ability to be fractionated naturally and then recombined into other products without hydrogenation is a massive advantage," Wassel remarked.

The R&D team of Sinar Mas Agribusiness and Food combines technology, process innovation, and expert knowledge to create high-quality products.

Innovating to adapt to customer needs

At Sinar Mas Agribusiness and Food R&D center in Marunda, Jakarta, food technologists develop margarines with different flavor profiles, shortening with special whipping capabilities, or unique specialty ice-cream coatings.

"Milk fat replacers -- like palm oil-based margarines to replace butter -- have gained prominence as food producers try to cater to consumers who are lactose intolerant, while avoiding trans fats entirely. We also reduce Sodium (salt) in our margarine type products. We understand this will bring additional health benefits to the wider community.

We've also seen continued interest in plant-based foods. We have new concepts in our innovation pipeline for both local and international customers, while fulfilling our customers' bespoke requirements," Wassel added.

A year into the COVID-19 pandemic, policymakers have shifted their focus to food security and nutrition among lower income groups, especially rural populations.

Wassell believes indigenous populations can consider minimally-processed palm oil that retains natural tocotrienols, a maximum concentration of Pro-Vitamin A, while keeping an ultra-low carbon footprint

Source: finance.yahoo.com

AUTOMATE, WOO YOUNG MALAYSIANS, PALM OIL SECTOR TOLD

One of the suggestions put forward to reduce labor needs is to mechanize the harvesting of fruits, which is now done manually.

The labor shortage in the palm oil sector is the biggest problem facing the industry at the moment, say researchers who believe greater efforts have to be taken to reduce the over-reliance on cheap foreign workers.

They said the shortage existed even before there were issues caused by the pandemic, but the situation worsened last year as many workers returned to their home countries.

Before the pandemic, the sector was already short of about 36,000 workers, but in August, it was forecast that this number could swell to close to 62,000 by the end of 2020.

During a webinar, the head of the agriculture and food security cluster at the Academy of Professors Malaysia, Fatimah Mohamed Arshad, said this must be addressed by attracting young Malaysians to the sector and embracing mechanization of certain tasks.

"It can be difficult to draw the young into the sector, but if they are provided with good wages and perks, I think we can bring them in.

"If work is too laborious and brings too much hardship, we have even seen some foreign workers run away. But getting even 10% to 20% of local workers is more than enough."

She suggested the automation of labor intensive tasks like harvesting as a way to reduce the manpower needed on plantations.

"It's not about totally doing away with the efforts of laborers, but minimizing it. If you reduce it to 70%, that's good.

"The problem with Malaysia is that we didn't attempt it at all. The corporate sectors advising the government think the only way to improve and increase competition is by reducing labor costs. When you start to rely on lower wage workers, it discourages innovation."

Fatimah said a simple example would be the vehicles used at driving ranges to collect golf balls, and questioned why a task like collecting harvested fruit could not be simplified in the same way.

"You cannot do away with laborers, but you can minimize the dependency," she said.

Source: www.freemalaysiatoday.com

www.mpocc.org.my

MALAYSIAN SUSTAINABLE PALM OIL

MSPO

CERTIFICATION SCHEME

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme was implemented on a voluntary basis in 2015 as the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings and palm oil processing facilities to be certified against the requirements of the MSPO Standards (MS2530:2013).

The MSPO Scheme sets stringent guidelines for the establishment of implementation and best operational and agricultural practices that ensures sustainable production of Malaysian palm oil for the world.

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme was announced in May 2017 for mandatory implementation by end 2019.

MALAYSIAN SUSTAINABLE PALM OIL (MSPO) STANDARD SUPPORTS THE UN SUSTAINABLE DEVELOPMENT GOALS 2030

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Ensuring Our Palm Oil Adhere to International Standards

The anti-palm oil campaigns and attacks on palm oil by the non-governmental organizations (NGOs) in the West continue to escalate.

Trade protectionism and unfair treatment such as the EU Delegated Acts, California Deforestation-Free Procurement Act and the no palm label are some of their efforts aimed at crippling our palm oil industry.

The government, through its agencies particularly the Malaysian Palm Oil Board, has been undertaking relentless efforts including diplomatic approach to address this long standing issue due to the importance of the country's bilateral relationships with the Western countries.

The Malaysian palm oil industry is one of the most highly regulated with legislation and regulations in place to ensure that it adheres to domestic and international standards.

Numerous efforts are in place for conservation and green initiatives. For example, the Ministry of Plantation Industries and Commodities (MPIC) has imposed cess on the palm oil industry players, which is being utilized for conservation purposes and green initiatives.

The anti-palm oil campaigns and attacks on palm oil by the non-governmental organizations in the West continue to escalate. NST pix by Luqman Hakim Zubir

The ministry has also set up the Malaysian Palm Oil Green Conservation Fund focusing on activities such as forest tree replanting, minimizing human-animal conflict and biodiversity conservation.

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme, made mandatory from January 1 2020, has enhanced the value of Malaysian palm oil by minimizing the carbon footprint of the industry.

The industry is committed to producing palm oil in accordance to the principles and criteria prescribed by the mandatory MSPO which focuses on increasing productivity through good agricultural practices and better planting materials.

The MSPO scheme also emphasizes on the well-being and welfare of workers and labor as well as protecting the environment from potential contaminants and illegal activities according to the National and/or State Legislation.

The government has also highlighted the importance of regulations with regard to the well-being of labor in the MSPO certification.

To ensure sustainable development of palm oil industry, the government has adopted several key policies which include capping the total of oil palm cultivated area to 6.5 million hectares, stopping the planting of oil palm in peatland areas and strengthening regulations concerning existing oil palm cultivation on peatland.

The government also banned the conversion of forest reserve areas for oil palm cultivation and pledged to make the oil palm plantation maps available for public access.

MPIC is also assisting Sime Darby Plantation Bhd and FGV Holdings Bhd on the ban imposed on the two companies by the US government over alleged labor issues.

There are some misunderstandings about the Malaysian culture and the practice of the local planters especially the smallholders with regard to labor issue in the oil palm plantations.

MPIC and MPOB are actively conducting a series of roadshow to correct the interpretation of forced and child labor among the industry players to avoid such judgement as the government takes the matter of labor welfare seriously.

Malaysia has also filed a complaint to the World Trade Organization over European Union rules affecting the consumption of palm oil-based biofuels.

The Western countries should emphasize the principles of fairness, transparency and non-discrimination in conducting international trade.

They have to maintain a global level playing field for trading of commodities including importing of palm oil in line with the principle of non-discrimination. They should consider the significant progress achieved by Malaysia for the production of palm oil in a sustainable manner as well as the efforts for conservation of forest and biodiversity.

Malaysia's continuous improvement and concerted efforts in making sustainable palm oil a success cannot be achieved without the cooperation and commitment from all stakeholders including its importing countries.

We are open to exchange of scientific information and views with the Western countries in order to find a mutually beneficial and acceptable way forward to ensure continued market access for the Malaysian palm products.

We will continue to engage the West constructively and positively to address these challenges.

Source: www.nst.com.my

Palm Oil Cess Collection of RM30mil to Support Marcop

A total of RM30mil of the collection from the palm oil cess that has increased by RM2 to RM16 from RM14 per tonne will complement the RM30mil matching grant allocated to the industry by the government under Budget 2021.

The Plantation Industries and Commodities Ministry said the amount from the cess enforced on March 1 would go towards propping up the establishment of the Mechanization and Automation Research Consortium of Oil Palm (Marcop).

"The establishment of Marcop involves the cooperation of the Malaysian Palm Oil Board and the industry.

"It is aimed at enhancing the usage of technology and farm mechanization to optimize operational efficiency and oil palm fruit harvesting besides resolving labor shortage in the plantation sector," said minister Datuk Dr Mohd Khairuddin Aman Razali.

He said it was appropriate to implement the new rate as crude palm oil (CPO) price is presently rising.

The cess increase applies to CPO and crude palm kernel oil producers or license holders under the mills category, following the improvement in palm oil prices to RM3, 000 per tonne and which is projected to strengthen further.

"The collection from the cess will also finance the council of palm oil producing countries which was established to jointly handle challenges at international level such as the anti-palm oil campaigns and discrimination by the European Union against palm oil-based biofuels," Mohd Khairuddin said.

In addition, he said, the cess would be used to finance new technologies from research and development activities, market incentivisation activities by the Malaysian Palm Oil Council, and Malaysian Sustainable Palm Oil Certification including activities that focus and provide support for smallholders to enhance global competitiveness and sustainability of the country's palm oil industry.

The Plantation Industries and Commodities Ministry said the amount from the cess enforced on March 1 would go towards propping up the establishment of the Mechanization and Automation Research Consortium of Oil Palm (Marcop).

Source: www.thestar.com.my


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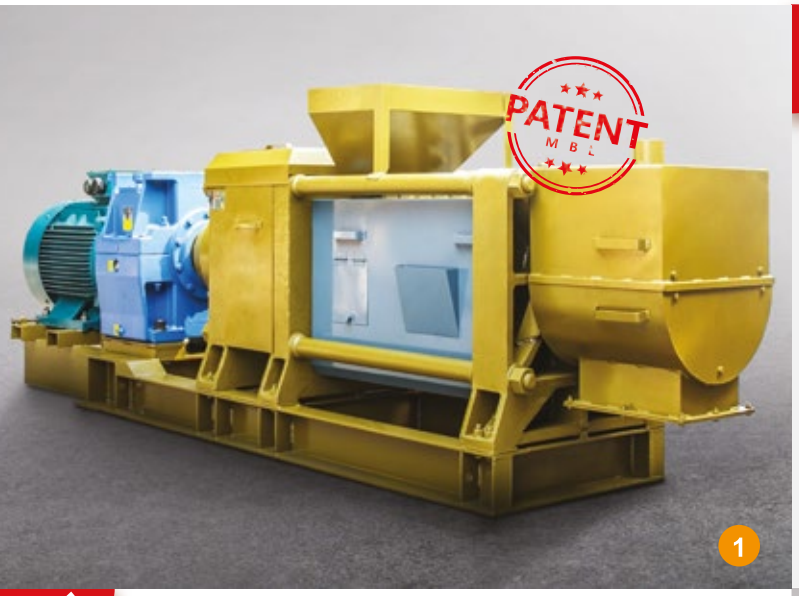

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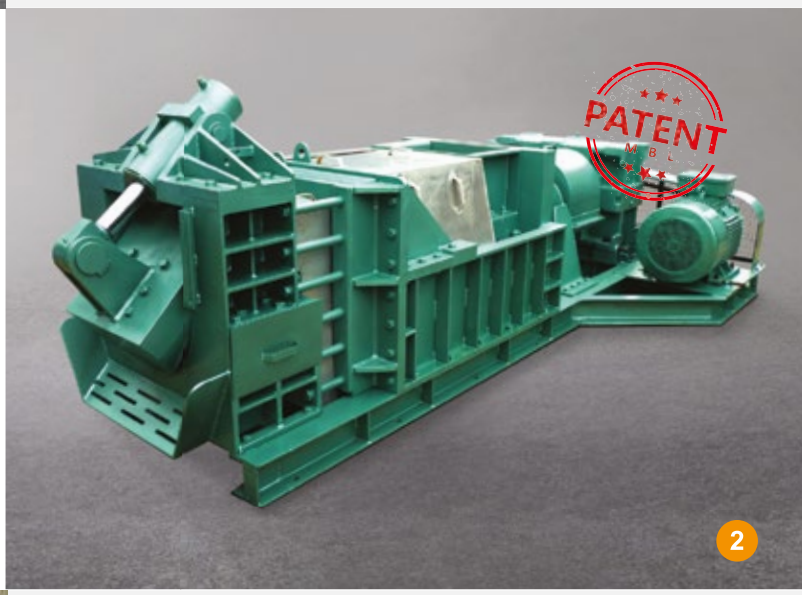

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WROs on Malaysian Palm Oil Have Ripple Effect, Says Expert

by SHAHEERA AZNAM SHAH / pic by MUHD AMIN NAHARUL

The interdiction of Malaysia's palm oil and palm oil products by multinational corporations (MNCs) brings a serious repercussion, especially if it is based on groundless reasons.

US-based food company General Mills Inc was reported to have issued a global 'No Buy' order for imports by Sime Darby Plantation Bhd (SDP) and FGV Holdings Bhd following the withhold release orders (WROs) issued by the US on the two companies.

Industry expert MR Chandran — who is also a founding member of the Roundtable on Sustainable Palm Oil, or RSPO — said the banning of palm oil and its products is posing a ripple effect as other countries could take on it due to the nature of MNC operations.

"The repercussions to the action taken by the MNCs are huge. It is a damaging action as it is done with- out clear evidence or making known of the evidence that they found.

"General Mills is undoubtedly following the government of the country that they are operating in, should the order to withhold palm products from FGV and SDP come from US Customs and Border Protection (CBP) itself.

"If they are conforming to the CBP's regulations and boycott SDP and FGV in the US, they have to do it in other countries too," he told The Malaysian Reserve (TMR).

Last year, the CBP issued two separate WROs for SDP and FGV, along with their subsidiaries and joint ventures based on the unsustainable labour practices allegations.

Apart from players in the oil palm industry, the CBP also issued a WRO on products by Top Glove Sdn Bhd, TG Medical Sdn Bhd and Top Glove Corp Bhd's subsidiaries. All three detention orders currently have 'Active' status.

To date, the US has issued 60 WROs to manufacturers from 11 countries since 1991, and Malaysia is currently recording the second-highest number of companies being issued the detention order for its exports product coming into the US. Reuters recently reported that major palm oil buyers, including General Mills, are looking to block orders on products by SDP and FGV due to their customers' rising concerns.

Chandran said CBP's intention on the WROs, particularly on Malaysian palm oil, is baffling as the detention order on SDP, in particular, is based on the groundless allegation, including lack of evidence.

"I don't think CBP would have unilaterally acted based on the reports by Liberty Shared and the Associated Press (AP) alone.

"It is unusual for CBP not to be given evidence. Liberty Shared has made all these sorts of allegations, including rape. If that is the case, SDP has the right to know, so they can do their investigations," he said.

The AP in a report stated it had interviewed more than 130 current and former plantation workers from two dozen palm oil companies in Malaysia and Indonesia, and found several red flags of labour practices, including rape, child labour, trafficking and slavery.

Hong Kong-based Liberty Shared also claimed to find similar malpractices which triggered the ban on SDP's palm oil. Chandran added that the malpractice allegations also raise some reservations on standard certification bodies should the serious malpractices accusations be true.

"In the case of SDP, they are the largest certified palm oil producer by the RSPO in the world, which are also certified by the Malaysian Sustainable Palm Oil.

"Many of their mills are certified by the International Sustainability and Carbon Certification, or ISCC, and the group itself has ISO certifications.

"They have multiple certifications and it is puzzling because the allegations indicate that the auditors of all the certifications were not doing their job or miss the reports on the allegations by Liberty Shared and AP," Chandran said.

Source: themalaysianreserve.com

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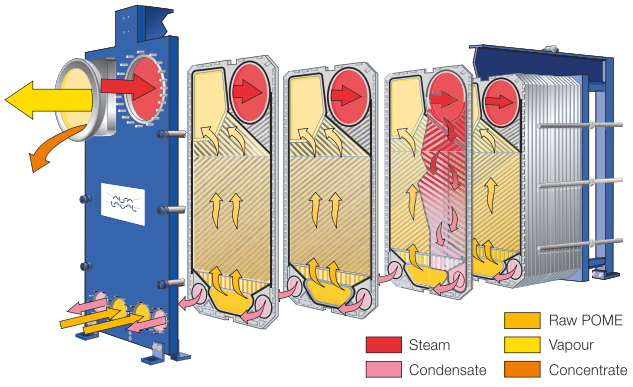

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Malaysia Hunts for Local Palm Oil Workers with Online Jobs Fair

Malaysia is taking the hunt for palm oil workers online as the world's second-biggest producer struggles to ease an acute labor shortage that's costing farmers billions of dollars in unharvested fruit.

The two-day virtual career carnival, organized by the plantations and human resources ministries together with the country's social security organization, seeks to fill over 8,600 jobs offered by 26 employers in the farm sector. About 3,000 locals, including graduates and indigenous communities, are expected to participate.

"The programme is a good platform to help the industry quickly get workers and at the same time provide jobs to locals that were affected by the pandemic," according to Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali.

Labor shortage that's plagued the Malaysian plantation industry for years worsened after the government shut borders and froze hiring foreign workers amid the pandemic. Despite offering higher wages and perks, efforts to recruit locals have had little success because working in the sector is viewed by them as dirty, dangerous and demeaning. That's keeping planters from maximizing harvest at a time when palm oil has rallied to a 10-year high.

"Planters can't fully optimize production in the estates, given the severe lack of palm fruit harvesters, who are mostly foreign workers," a group of 12 planters, refiners and palm-product manufactures said in a joint statement.

The industry, comprising more than 75% foreign workers, was short by more than 40,000 harvesters before the pandemic. That translates to crop losses of about 20% and RM11.83 billion in lost revenue annually, according to the statement.

The pandemic has created job opportunities for locals, with more than 60,000 vacancies in the commodities sector, Mohd Khairuddin said. The first phase of the carnival, which offers job- seekers online interviews, will focus on palm, rubber, timber, cocoa and pepper, he said.

Source: themalaysianreserve.com

86.4% of Malaysia's Total Licensed Oil Palm Planted Area MSPO-Certified, Says MPOB

Up to 86.39% of Malaysia's total planted area for oil palm has been certified sustainable under the Malaysian Sustainable Palm Oil (MSPO) certification scheme.

During a webinar entitled "Sustainability And Food Safety: The Perspective of the Malaysian Palm Oil Industry" organized by the EU-Malaysia Chamber of Commerce and Industry (Eurocham), Malaysian Palm Oil Board (MPOB) Technical Advisory Services Unit, Product Development and Advisory Services Division (PDAS) Australasia and Oceania Regional Manager and Desk Officer for Europe, Rafizah Mazlan, 5.07 million hectares (ha) of Malaysia's oil palm planted area was certified sustainable. In total, the country has a total licensed planted area of 5.87 million ha.

In terms of MSPO-certified palm oil mills, 437 of 96.04% of the 455 palm oil mills in the country have been certified as MSPO compliant.

She noted that while larger and smaller plantation companies have adopted the MSPO standard, the MPOB still has challenges when it comes to onboarding more smallholders to the standard. Rafizah added that from a government and regulator perspective, there is a focus in place to get more smallholders certified under the scheme.

"MPOB has offices all over Malaysia in all regions to talk to the smallholders, to train them, to give an understanding in terms of MSPO and its requirements, and to guide them in getting certified," Rafizah said. Indeed, of the 955,811.41 ha of land classified as the total licensed planted area for independent smallholders in Malaysia, only 355,367.82 ha is certified as MSPO-compliant or 37.18%.

When queried on the Jurisdictional Certification of Sustainable Palm Oil (JCSPO) in Sabah and whether the presence of too many sustainability standards would be a negative for the industry, Rafizah said that the government is promoting the adoption of MSPO, which was designed after taking into account the challenges faced by Malaysian smallholders.

While she acknowledged that the Roundtable on Sustainable Palm Oil (RSPO) certification also exists, smallholders faced challenges attaining this standard due to the higher costs involved.

"But MSPO is the way forward for the Malaysian palm oil industry," she said.

The JCSPO standard was first developed by the Sabah government in 2015 and is a 10-year plan that involves all types of land including alienated, gazette, state land and agroforestry forest reserves.

In terms of whether the goalposts have continued to be shifted when it comes to sustainability for the Malaysian oil palm industry, Rafizah acknowledged that while this has been the case, the government, alongside end buyers and market regulators, are also moving along with the changes.

She referred to deliberations with the European Union (EU), saying, "We have had a lot of official dialogues and sessions for both the EU and Malaysia to find a common understanding. The goalposts have shifted, but both teams are following the shifts. We want both parties to be at the same goalposts with the same understanding."

Palm oil has been at the center of a dispute between the EU and Malaysia, as the regional bloc has moved to restrict edible oil in biodiesel.

Under the Renewable Energy Directive (RED) II, palm oil has been classified as a high indirect land-use change product that raises its greenhouse gas emissions to unacceptable levels. It will be gradually phased out of the bloc's renewable energy mix by 2030.

Source: www.theedgemarkets.com

No Respite for Palm Oil Players Despite High CPO Price

Crude palm oil (CPO) futures may have reached their highest level in 13 years of RM4,122 per tonne but for Malaysian palm oil players, there is not much to rejoice about as the industry finds itself in a predicament.

12 associations representing stakeholders of the Malaysian palm oil supply chain issued a joint statement to appeal to the government for resolutions on the three issues of severe labour shortages, current high taxes imposed on growers, and problems with market access.

A stakeholder of the group explains that the "current trend of unabated cost increases and regulatory impediments amid an outdated taxation structure of the Malaysian oil palm industry" has weighed heavily on players and threatens the competitiveness and sustainability of the industry.

"If these are not addressed, don't expect anyone to make new investments, reinvestments, or, for that matter, be interested to buy plantation shares. For those entrusted to govern, please don't kill the only goose that lays the golden egg in the agricultural business. Failing which, Malaysia may no longer be able to retain her position as the world's second largest palm oil producer," says the stakeholder.

Since the COVID-19 pandemic hit last year, leading to the freeze on the recruitment of foreign workers, the Malaysian oil palm industry has been facing an acute shortage of labour.

In its first appeal, the group urges the government to allow guest workers who are currently in their respective countries of origin to return to Malaysia to work. This, they say, is to reduce further opportunity loss for the industry in the upcoming peak production season and to capture the current high palm oil prices.

According to the associations, what is not harvested translates into a potential loss in production of 3.4 million tonnes of CPO, or 18% of 2020's total CPO output, and 0.86 million tonnes in palm kernel oil (PKO) per annum. This is tantamount to an opportunity loss of RM11.8 billion in revenue and RM4.37 billion in profit a year, based on the average CPO price of RM3,000 per tonne.

In addition, state and federal governments stand to lose on higher tax collection from the higher output through the various taxes on palm oil.

In the second appeal, the associations seek the government's engagement with the industry to review the existing taxation structure imposed on planters, which ranges from the windfall profit levy (WPL) and the Malaysian Palm Oil Board (MPOB) cess to state sales tax in Sarawak and Sabah.

The industry seeks, first, abolishment of the WPL or a review of it; second, not to be burdened by future increases in cess — namely, after the recent increase of RM2 per tonne to RM16 per tonne for CPO and PKO; and third, for a review and lowering of the price thresholds or sales tax of 7.5% on CPO sales in Sabah (when the CPO price exceeds RM1,000 per tonne), and sales tax on CPO and PKO of 5% in Sarawak (when the CPO price is above RM1,500 per tonne).

The third appeal is for the government to expedite and invest more resources to address sustained and increasing anti-palm oil campaigns, discriminatory trade barriers, and unrealistic expectations and compliance requirements as well as ever-changing sustainability goals and practices.

"The significance of this is that it is the first time the palm oil industry fraternity is coming together in one voice to make an appeal to the government. This could also signify concerns over the industry's well-being if the challenges faced are not addressed amid the view that the current upturn in CPO price could be a cure-all for the industry," say CGS-CIMB Research head Ivy Ng and analyst Nagulan Ravi in a report.

Labour shortage resolution a priority

Of the three appeals, the view of experts is that the foreign worker shortage has the highest chance of being remedied by allowing them to return, but with strict standard operating procedures (SOPs).

Palm oil industry expert M R Chandran tells The Edge that the labour shortage has resulted in wastage of at least 15% to 20% of crops because they are not harvestable. In addition, delays in harvesting also impact the quality of CPO extracted.

Currently, the sector faces a labour shortage of close to 50,000 workers. Of that total, 32,000 are required for harvesting operations, while the remaining 18,000 are needed for general estate works, Chandran explains.

"We sorely need to address our stagnating national average productivity levels to improve our CPO yields per unit area. Last year, it was only just 3.3 tonnes per ha [compared with 4.01 tonnes per ha in 2011]," he says.

Attempts to hire locals to work in oil palm plantations have not been successful. CGS-CIMB's Ng tells The Edge adds that planters have made efforts to do so, placing advertisements and carrying out on-the-ground recruitment drives. However, many fail to show up at the interviews. Those who do often quit within weeks — a sign of adjustment issues as locals continue to shun jobs in what is perceived as a "4D" — dirty, dangerous, difficult and demeaning — sector.

Oil palm growers are not alone in appealing for a solution on the issue of foreign workers as other sectors affected are also asking for help, she adds.

"Palm oil players are justified in their appeal as their opportunity cost is high, especially when the CPO price is significant. This is a loss to the industry, and to the government's revenue and coffers too. If the government and planters can work things out, everyone wins," she says.

Relief from cess and windfall profit levy may take time

The long-term solution to productivity however, is not in employing more workers, but to invest wisely in mechanisation and automation, such as in the advanced economies, where automation practices have made agriculture more profitable while simultaneously reducing the ecological footprint of farming, Chandran explains. This is where the money collected from the additional cess and the WPL should be channelled.

Currently, a WPL of 3% is imposed on CPO priced above RM2,500 per tonne in Peninsular Malaysia, and 1.5% on CPO priced above RM3,000 per tonne in Sabah and Sarawak.

It should be noted that the plantation sector is presently the only industry in the country subject to a WPL imposed by the Royal Malaysian Customs.

"The problem has always been that every time the CPO price goes up, taxes are levied, but when the price comes down, the tax is not reduced. This is tough on players in the medium term as cesses are always added costs, which affect the competitiveness of the industry. Don't forget that palm oil businesses are competing globally and not just among Malaysians," Ng says.

As for the MPOB cess collection, Chandran proposes that it would be timely to recalibrate the prevailing cess calculation. He explains that it would be far more judicious to base it on a scale basis of the average monthly price of CPO, rather than the current mechanism of a fixed rate based on CPO and PKO production.

"I strongly advocate the cess payment to be on a graduated scale and not on a fixed sum based on production. For example, you can have a minimum cess payment irrespective of CPO prices, let's say, at the current RM16 per tonne at a maximum threshold price of RM3,000 per tonne, and for every RM100 increase in average CPO prices, there should be an additional contribution of 50 sen per tonne. For example, if CPO prices increase from RM3,000 to RM4,000 per tonne, the additional cess paid would be RM5, or a total of RM21 per tonne," he says.

Chandran notes that this translates to an average 0.5% of prices, which is closer to the 1% to 1.5% range that goes to R&D for most advanced agricultural crops, such as soybeans.

"However, the R&D should be focused and the structure of MPOB should be revamped," he adds. It is worth noting that the associations have requested for a restructuring of the body to make it more efficient "in keeping with MPOB's original objectives and purpose".

The Malaysian Estate Owners' Association estimates that the WPL to be collected from the palm oil industry in 2021 will be around RM482 million should CPO trade at RM3,000 per tonne, and may go up to RM1.58 billion should the price increase to RM4,000 per tonne, while the cess collection is estimated at RM336 million.

"It is good that industry players have voiced their concerns as they need to know where they stand. The government needs some time to respond, and I trust it will. After all, I've not heard of major proposals being ignored by the government," says Ng.

Source: www.theedgemarkets.com

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Malaysia to Increase Palm Oil Exports to Saudi Arabia

Malaysia will increase its palm oil exports to Saudi Arabia from 300,000 tonnes to 500,000 tonnes worth approximately RM1 billion.

Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali said the volume was increased following Prime Minister Tan Sri Muhyiddin Yassin's visit to Saudi Arabia recently.

"It is among the accomplishments following the Prime Minister's visit to Saudi Arabia other than the growth in demand for palm oil in that country throughout the COVID-19 pandemic," he told a press conference in conjunction with the National Immunization Programme registration campaign for the plantation sector today.

He also revealed that the Ministry would open a regional office in Jeddah, Saudi Arabia soon.

"It is to further expand our opportunities for the commodity in the African and Middle Eastern markets and we see Jeddah as the best hub. With the establishment of such office, hopefully our palm oil could be further marketed internationally," he said.

Meanwhile, Mohd Khairuddin said his Ministry is negotiating with the Ministry of Home Affairs and Ministry of Human Resources to secure foreign workers for the plantation sector which is in desperate need of manpower.

He noted that there are currently more than 250,000 foreign workers in the plantation sector with some having returned to their respective countries upon expiry of their permits.

He said his Ministry will propose measures for the plantation sector particularly in regard to standard operating procedures as a reassurance in recruiting about 32,000 more foreigners as harvesters.

"If we can get 32,000 of these harvesters, that will be another RM5 billion in palm oil-related income towards our RM75 billion target for this year.

"At the same time, we hope that locals would also venture into plantation which provides many benefits such as free housing," he said.

Earlier, Mohd Khairuddin spent some time visiting the living quarters of FGV Holdings Berhad's workers and palm oil mill in Mempaga here.

Malaysia increases palm oil exports to Saudi Arabia

Source: www.theedgemarkets.com

MPIC to Open Malaysian Agricommodity Regional Office in Jeddah

The Ministry of Plantation Industries and Commodities (MPIC) is looking at setting up a Malaysian Agricommodity Regional Office in Jeddah, Saudi Arabia, to capitalize on the market potential for the nation's agricultural commodities in the Middle East and Africa.

Minister Datuk Dr Mohd Khairuddin Aman Razali said the regional office, which would act as a Malaysian Commodity Hub, will house the Malaysian Palm Oil Council, the Malaysian Rubber Council and the Malaysian Timber Council.

He said the opening of this office is part of MPIC's effort to realize its target in making sure Malaysian commodity products, including oleochemical products and biofuel, would dominate the market in the region in the future.

"International relations through initiative like this is important for further improvement and acceptance of Malaysian palm oil products in the global market.

"It is also in line with the 'Palm Oil is God's Gift' campaign launched on Feb 10, 2021, aimed at promoting advantages and the benefits of Malaysian palm oil to the world via educational elements, and at the same time, repelling anti-palm oil campaign," he said in a statement.

The regional office initiative follows Prime Minister (PM) Tan Sri Muhyiddin Yassin's recent meeting with the Crown Prince of Saudi Arabia Prince Mohammed Salman, who is also Saudi Arabia's deputy PM and minister of defence.

MPIC congratulated the PM for the successful negotiations between Malaysia and Saudi Arabia on various matters, including the promotion of Malaysia's palm oil industry with the view of expanding local palm oil's market in the country.

Mohd Khairuddin said local companies will have the opportunity to export palm oil in larger quantities and boost the acceptance of Malaysian palm oil products in the global market.

pic by RAZAK GHAZALI

"Saudi Arabia has also committed to increasing its imports of Malaysian palm oil from 318,000 tonnes worth RM900 million last year to 500,000 tonnes worth an estimated RM1.5 billion this year," he added.

The palm oil industry reportedly contributed RM72.8 billion in national revenue last year through the export of palm oil and its products to the international market.

This amount is about 14.18% more than the RM63.73 billion recorded in 2019 and the highest since 2017 (RM77.9 billion).

Mohd Khairuddin previously said there was an increase in demand for palm oil from Saudi Arabia for the production of hand sanitizers and soap during the current COVID-19 pandemic.

He said the palm oil industry has a very bright future because it is not only used as cooking oil, but also in the pharmaceutical industry at home and abroad.

Source: themalaysianreserve.com

Demand for Sustainable Palm Oil Growing in India, Says Emami CEO

Demand for Certified Sustainable Palm Oil (CSPO) is growing in India, said Indian Vegetable Oil Producers' Association president Sudhakar Desai.

He said that while the demand for CSPO in the country is small, there is a noticeable increase, especially from multinational corporations.

"The first level is from these institutions because they want traceable and certified palm oil," Sudhakar said at UOB Kay Hian's India Palm Oil Market 2021 outlook.

Desai, who is also the chief executive officer (CEO) and president of Emami Agrotech Ltd, said his company, which is India's second largest edible oil producer, buys palm oil only from companies that have committed to supplying sustainable palm oil.

On another matter, he said there is no issue of deforestation in cultivating oil palm in India as only plain land is used.

Oil palm in the country currently has a planted area of 300,000ha, with plans to eventually increase this planted area to 1.5 million hectares.

"The potential is there in southern India in Telangana state and the north-eastern belt," he said.

Sudhakar noted that Malaysian and Indian companies have been given an additional 300,000ha to plant oil palm by state governments.

While there are plans to develop the oil palm cultivation in India, Sudhakar highlighted that unlike Indonesia and Malaysia, there is less rainfall in the areas chosen, which means there is a greater dependency on groundwater.

Source: www.theedgemarkets.com

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Malaysia, Indonesia to Formulate Best Strategic Framework to Protect Oil Palm Industry, Says Minister

Malaysia will discuss with Indonesia to formulate the best strategy to protect the oil palm industry of both countries in the near future, said Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali.

He said this was in line with Prime Minister Tan Sri Muhyiddin Yassin's call for the framework of the Council of Palm Oil Producing Countries (CPOPC) to be strengthened to protect the common interests of member countries, particularly Malaysia and Indonesia.

"I will discuss with my Indonesian counterpart, the Coordinating Minister for Economic Affairs, Airlangga Hartarto, to formulate the best strategy to protect the oil palm industry of both countries in the near future," he said in a statement.

The CPOPC was established jointly by Malaysia and Indonesia on Nov 21, 2015 to champion issues related to the palm oil industry.

Mohd Khairuddin said Malaysia would continue to work with Indonesia to oppose discrimination on palm oil either in a two-way or multi-party relationship.

He said Indonesia and Malaysia, which are the largest and second-largest palm oil producer countries in the world respectively, were also constantly seeking to reach an agreement in developing and maintaining the palm oil industry in both countries.

Mohd Khairuddin said the Ministry of Plantation Industries and Commodities welcomed the call by the prime minister during a meeting with Indonesian President Joko Widodo (Jokowi) in Jakarta yesterday to further strengthen Malaysia's cooperation with Indonesia to oppose discrimination on palm oil by European Union (EU) countries and several other countries.

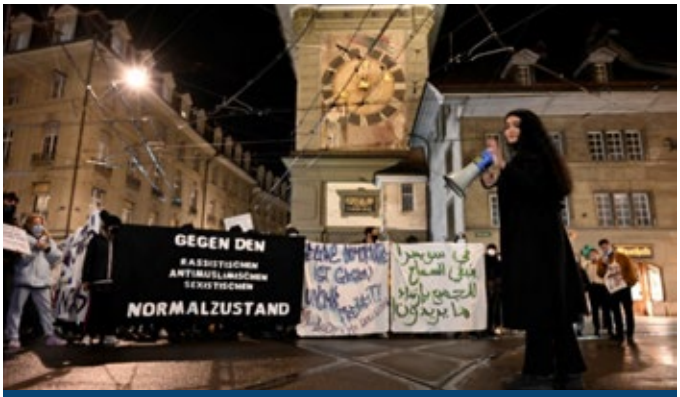
Mohd Khairuddin says Indonesia and Malaysia, which are the largest and second-largest palm oil producer countries in the world respectively, are also constantly seeking to reach an agreement in developing and maintaining the palm oil industry in both countries. (Photo by Mohd Suhaimi Mohamed Yusuf)

He said the two leaders had expressed concern over the unfounded anti-palm oil campaign which did not reflect the sustainability of the palm oil industry and its preservation of environment. The campaign also contradicts the principles of free trade practices as outlined by the World Trade Organization (WTO).

Following that, Muhyiddin said Malaysia had filed for legal action against the EU with the WTO on Jan 15, in line with the statement issued on the same day as soon as the filing was done, apart from a similar action taken by Indonesia on the EU in December 2019.

Source: www.theedgemarkets.com

Swiss Voters Narrowly Back Palm Oil Deal With Indonesia



People hold banners during a protest hours after Swiss voters accepted an initiative, the so-called anti-burqa vote, to ban full facial coverings in public places in Bern on March 7, 2021. (Agence France Presse/Fabrice Coffrini)

Swiss voters narrowly backed a free trade agreement with Indonesia that would abolish duties on industrial products including palm oil.

The proposal narrowly gained approval with 51.7 percent support in a nationwide referendum, AFP reported. Voters also backed a ban on full face coverings in public places, which would include Islamic full-face veils or burqa.

Under the trade deal, tariffs would be gradually removed from almost all of Switzerland's biggest exports to the world's fourth most populous country, while the Swiss would abolish duties on Indonesian industrial products.

Importers of Indonesian palm oil however must prove that it meets certain environmental and social standards.

The agreement was signed in 2018 and approved by the Swiss parliament in 2019, but opponents were especially critical of Bern's move to reduce import duties on palm oil. The deal contains exceptions for agricultural products, notably to protect Switzerland's sunflower and rapeseed oil production. For palm oil, customs duties will not be removed but instead reduced by between 20 percent to 40 percent.

Swissinfo.ch reported that the vote was closer than expected after Zurich (the canton with the most voters) showed its hand last, sealing the fate of the referendum.

The main pockets of resistance were the French-speaking cantons such as Geneva (where a lot of commodity firms are based) and Vaud (home of the headquarters of Swiss food giant Nestlé).

Swiss President Guy Parmelin, who also holds the economy portfolio, said the concerns of the opponents will be taken into account and Switzerland will support Indonesia in producing sustainable palm oil.

"This vote is not a choice of the economy over human rights and the environment," he said, quoted by swissinfo.ch. Parmelin hinted that future trade deals may also incorporate sustainability clauses, but stressed that each agreement is unique with its own set of challenges.

The palm oil sector in Indonesia – which has suffered economic policy setbacks in Europe – welcomed the decision.

"We are grateful for the outcome of today's vote. The trade deal is a win-win for the palm oil industry, for Indonesia, for Switzerland, and for all EFTA nations, and will bring positive benefits for Swiss consumers and exporters, and Indonesian small farmers. The Swiss vote affirmed that Indonesian palm oil is sustainable," said a spokesperson for the Indonesian Palm Oil Association (GAPKI).

Source: www.thejakartapost.com

Govt-Stakeholder Partnership Targets Rejuvenating Palm Oil Plantations

Workers tend to the palm oil seeds in Lubuk Minturun, Padang of West Sumatra. ANTARA PHOTO/Muhammad Arif Pribadi/Lmo/hp./sh

Rejuvenation of small plantations is also part of the national economic recovery program that can absorb several workers amid the pandemic.

The government has inked a partnership agreement with stakeholders in the palm oil industry to achieve the target to rejuvenate small-scale palm oil plantations in 2021.

Deputy for Food and Agribusiness Coordination at the Economic Affairs Coordinating Ministry Musdhalifah Machmud remarked that the rejuvenation of palm oil trees is targeted to boost the productivity of small-scale plantations.

"It is a form of the government's support to small farmers. Rejuvenation of small plantations is also part of the national economic recovery program that can absorb several workers amid the pandemic," Musdhalifah noted in a statement.

The agreement was inked between six company members of the Indonesian Palm Oil Association (Gapki), PTPN VI, and 18 cooperative units' members of the Indonesia Palm Oil Farmers Association (Apkasindo) from six districts.

The six districts are Kotabaru in South Kalimantan Province, Serdang Bedagai in North Sumatra Province, Muaro Jambi and Merangin in Jambi Province, and Kampar and Indragiri Hulu in Riau Province. The partnership would cover an area of 18,821 hectares of plantation.

Musdhalifah spoke of the government's funding allocation of Rp5.567 trillion to rejuvenate 180 thousand hectares of small-scale palm oil plantations in 2021.

In pursuit of the target, the Agriculture Ministry, Palm Oil Plantation Fund Management Agency (BPDPKS), and all stakeholders in the sector drafted the mechanism for the rejuvenation.

Musdhalifah has urged local leaders in palm oil production centres to work actively in supporting the palm oil rejuvenation scheme in their respective regions.

The deputy echoed her optimism on expansion of palm oil plantations reaching the targeted 540 thousand hectares during the period from 2020 to 2022.

Source: en.antaranews.com

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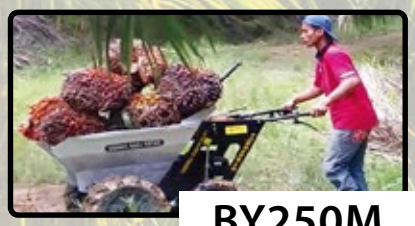

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A Forest First Nation

Meru Betiri National Park in Jember regency, East Java. A large part of the national park has been marred by deforestation from illegal logging committed by villagers. (JP/Kharishar Kahfi)

Since the last International Forest Day, the world has been focused on COVID-19 and the economic recovery.

But for countries like Indonesia, home to the largest forest areas in Asia, the pandemic, the economy and the country's forests seem inseparable.

Forests cannot be detached from the livelihoods of Indonesian people. Forests have long supported the welfare of communities and, above all, they form the backbone of the country's vast natural beauty and biodiversity.

Over the past 12 months, there have been some significant developments around Indonesia's forests.

First, Indonesia carved out a piece of history by posting its lowest deforestation rate on record. Deforestation over the past year has dropped by nearly two thirds from the previous year, falling to around 115,000 hectares. For the sake of comparison, estimates of deforestation in Brazil for the same year are around 10 times that figure.

Second, Indonesia has worked closely with allied countries like Norway, Switzerland and the United Kingdom to enact strong forest governance laws, achieve better enforcement of those laws and implement the ban on forest-clearing introduced in 2019.

Lastly, the lessons of the fire season from the previous years were put into practice last year, with proactive prevention measures resulting in a low-risk fire season.

These were initiatives of, and driven by, President Joko "Jokowi" Widodo, a School of Forestry graduate. Despite this, the President – and Indonesia – have had to put up with a large number of detractors. Many of his critics – mostly international NGOs funded by the very governments Indonesia is working with to improve forests – have accused him of loosening rules that protect Indonesia's forests. Their accusations are hollow.

Critics assume, principally, the streamlining or simplification of forest rules means that they are being made less stringent. This is a spectacular misunderstanding and betrays a lack of knowledge about how governance works in developing nations.

One of the problems with Indonesian forest law – and forest product legality – has been overlapping laws and regulations. These have been solved by the development of Indonesia's forest legality standards and its sustainability standards.

In the same way, the introduction of Indonesia Sustainable Palm Oil (ISPO) removes any questions around the legality and sustainability of Indonesian palm oil.

Just as Indonesia's improved forest management and standards have been recognized around the world for its exports, Indonesia's palm oil standard provides international markets similar assurance of its legality and sustainability.

Again, the revised ISPO is an initiative that has been pushed by the President. The significance of the ISPO in relation to forests is simple. ISPO – as a national standard – recognizes and reinforces Indonesia's sustainability and sustainable development objectives.

These are the same objectives that have resulted in a significant reduction in deforestation. The ISPO not only supports Indonesian sustainable palm oil; it supports the sustainability of Indonesian forests and livelihoods. So, how can Indonesian forests and Indonesian palm oil contribute to the recovery from the COVID-19 pandemic? First, both represent a significant contribution to trade. The sustainable use of forests and sustainable cultivation of palm oil will be significant for the contribution of exports to the economic recovery.

Governments around the world can and should continue to admit that blocking trade – particularly from developing countries – is the precise opposite of what needs to be done if the world is to recover from the pandemic-induced recession.

Second, the sustainable use of forests and the practices of smallholder farmers – or agroforestry – can be harnessed to reduce poverty and prevent parts of the country from sliding back into poverty. Efforts by some in Europe to restrict small farmer access and wrongly classify them are misplaced.

By some estimates, palm oil has lifted 2.6 million people in Indonesia and 1 million people in Malaysia out of poverty.

What the ISPO and Indonesia's policies show more broadly is that forests and economic development can and do coexist.

No one in Indonesia will suggest that we have been free of past problems of deforestation, illegal logging or poor management.

But Indonesia has persisted in attempting to solve these problems. The solutions do not occur immediately; it is not easy to change the practices of farmers and foresters across 17,508 islands. This requires patience as well as persistence.

As a solution to this, Indonesia has generated a road map – the National Action Plan on Sustainable Palm Oil – which aims to improve and set up, in a comprehensive manner, the way forward to sustainable palm oil of Indonesia.

And on this year's International Forest Day, Indonesia should be proud of how far it has come. We are a forest first nation.

The writer Musdalifah Mahmud is a deputy to the coordinating economics minister and Fadhil Hasan is an expert staffer at the Office of the Vice President.

The above comments and opinions in the article are the author's own and do not necessarily represent Asia Palm Oil Magazine's view.

Source: www.thejakartapost.com

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While there are plans to develop the oil palm cultivation in India, Sudhakar highlighted that unlike Indonesia and Malaysia, there is less rainfall in the areas chosen, which means there is a greater dependency on groundwater.

Source: www.theedgemarkets.com

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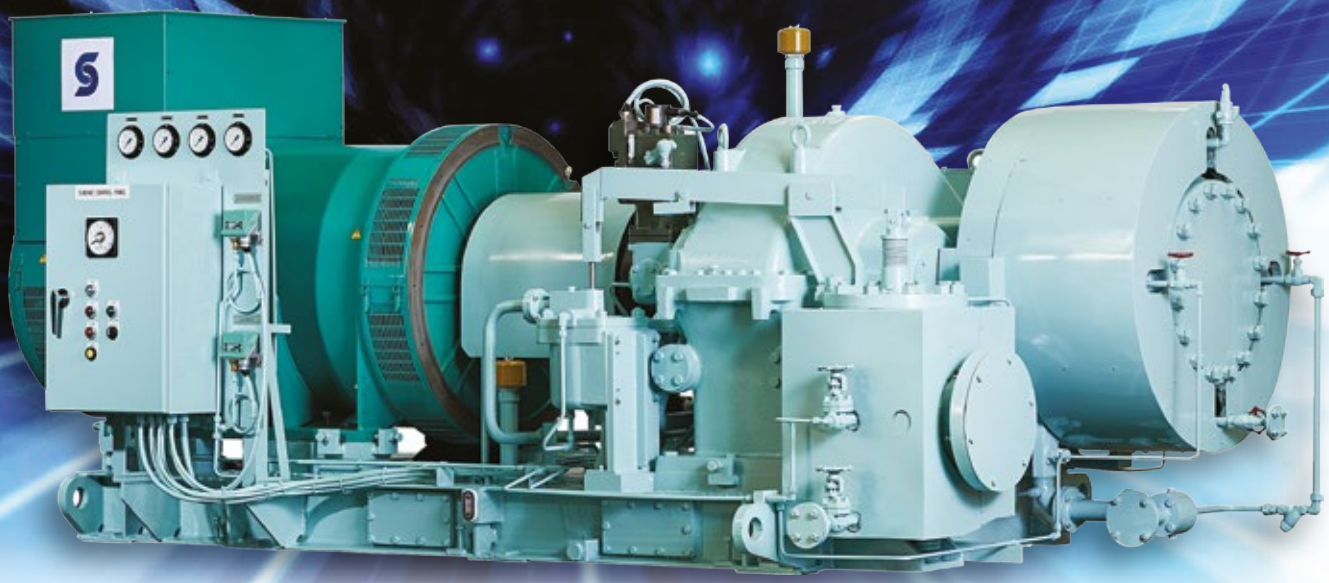

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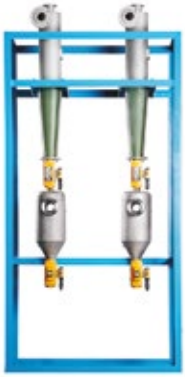

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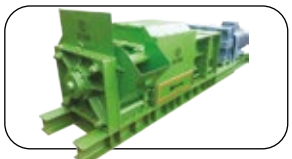

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Sabah Wants to Be Global Leader in Sustainable Palm Oil Production

Sabah has set up an initiative to ensure the palm oil sector remains the state's key economic driver while also working towards conservation and sustainability.

The initiative will be implemented through the Jurisdictional Certification of Sustainable Palm Oil (JCSPO) and Malaysian Sustainable Palm Oil (MSPO) certification in Sabah.

The World Wide Fund for Nature (WWF) Malaysia CEO Sophia Lim said the adoption of the JCSPO initiative would help the state government address deforestation in the palm oil supply chain by putting in place strategies, policies and measures to safeguard the environment.

"This is a crucial step in positioning Sabah and laying the foundation for the state as the global leader in sustainable palm oil," said Lim, who is also WWF Malaysia executive director.

Sabah set up the Jurisdictional Certification Steering Committee (JCSC) in 2016 to lead and implement the JCSPO and MSPO certifications under a 10-year plan.

The committee is co-chaired by the Sabah Forestry Department and the Natural Resources Office while also including government representatives, the private sector and civil society, including WWF-Malaysia.

The Sabah JCSPO will remain the ultimate goal in the initiative while pursuing the MSPO certification to achieve an internationally-accepted standard under the Roundtable on Sustainable Palm Oil (RSPO).

The 10-year plan aims to produce 100% RSPO-certified sustainable palm oil by 2025.

To date, about 26% of palm oil produced in Sabah is RSPO-certified.

She said one of WWF-Malaysia's contributions towards the realisation of the JCSPO in Sabah was through the Sabah Landscapes Programme, supporting the certification of 70,000 hectares of middle-sized and small-holders in Tawau, Tabin and Lower Sugut landscapes.

"WWF-Malaysia has set up a dedicated Sustainable Palm Oil team to provide technical support to growers located within the landscapes to form growers' groups and subsequently guide them to undergo the group certification process of RSPO," she added.

Lim said that through the living landscapes approach they were also working on advancing sustainable palm oil to include elements of conserving orangutan and Bornean elephants as well supporting the management of protected areas and forest reserves within the areas.

Sabah Forestry department chief conservator Frederick Kugan said Sabah JCSPO has been globally recognized as a pioneering model to address deforestation from the palm oil supply chain.

The jurisdictional programme implemented by Sabah will now create a new wave of change and pave the way for a future where sustainable practices will become the industry standard, he said.

"This is just the beginning. There is a lot more work to be done and we hope that the Sabah JCSPO will continue to receive support from all our stakeholders, towards 100% RSPO as well as MSPO certification by 2025 as per the circular issued by the state secretary recently," he added.

He said that it would help in greater conservation of wildlife population, forest resources, or ecosystem services.

Sabah Wildlife Department director Augustine Tuuga said the JCSPO encompasses a more holistic approach to conservation and is a real hope to ensure a brighter future for the species in Sabah

Tuuga explained that the monoculture nature of oil palm plantations meant that they tend not to support species that are dependent on a forest-type environment.

"Orangutans need good forest habitat to survive but many of them are found in isolated forest patches scattered within oil palm plantations.

"Apart from orangutans, Bornean elephants often face problems from palm oil plantations where human-elephant conflict incidents exist," he said.

He said connectivity, through wildlife corridors that link these patches of forest to a wider forest habitat is key to the orangutan's and other wildlife's survival at oil palm plantation landscapes, especially in the lowlands of Sabah.

Sabah's production of palm oil was recorded at 4.65 million tonnes last year, amounting to 6.2% of the world's palm oil production. It is an important economic sector that provides jobs and livelihood.

The oil palm sector has been subject to environmental criticism as it is associated with massive deforestation and loss of wildlife habitats, including the orangutan.

Source: www.thestar.com.my

PM Haze Launches Haze-Free Foodstand Campaign, Encourages Greater Adoption of Sustainable Palm Oil

The People's Movement to Stop Haze (PM Haze) has launched a new campaign to focus attention on how local food businesses are helping to alleviate the problem of transboundary haze. The Haze-Free Foodstand campaign hopes to encourage businesses and consumers drive greater adoption of certified sustainable palm oil as part of the global effort to end deforestation, environmental degradation, and exploitation.

Over 30 food establishments joined the campaign and are committed to using sustainable palm oil in their recipes, including Tung Lok Group, nomVnom, and Acqua e Farina, as well as a variety of home-based chefs and bakers.

Alexander Tan, CEO and founder of VeganBurg, shared, "At VeganBurg, it is important to us that our products do not contribute to deforestation or unethical labour practices. Early on, we recognised the problems associated with palm oil and made the switch to certified sustainable oil for all our products. Our continued partnership with PM Haze is one of the ways we are fighting for our planet, and we invite our customers to join us in restoring the world, one burger at a time."

Nearly half the participants in the Haze-Free Foodstand campaign are home-based businesses. Many of these home-based start-ups have emerged because of conditions brought about by the COVID-19 pandemic, creating new opportunities for smaller businesses to compete.

Aelfira, founder of the home-based taqueria Chicas, said, "When it comes to protecting our planet, even taking the first step is important. We play our part by supporting certified sustainable palm oil and hope that it will eventually bring benefits, creating a healthier environment for our community."

"We are extremely gratified by the response from Singapore's F&B businesses. Through our many Haze-Free Foodstand campaign partners, we are spreading the word about sustainable sourcing and why it is important through our common love for food!", said Benjamin Tay, Executive Director of PM Haze, "These participating businesses are making a difference by choosing sustainable produce and practices, and by recognising their efforts, are hope to inspire others – business and consumers – to look more carefully at how our individual choices impact the world around us."

Palm oil is the most land efficient oil crop and is highly versatile. As a result, palm oil is found in many common household products and is the most commonly used cooking oil used in Singapore. Palm oil production is also an important economic contributor in South East Asia. When produced sustainably, palm oil can have a positive impact on forests, wildlife and the communities that produce the commodity for a living.

"Palm oil is an important crop, but it must – and can be – produced responsibly. Multi-stakeholder organisations with certification schemes, such as the Roundtable on Sustainable Palm Oil standards, help the palm oil industry and consumers by giving users Certified Sustainable Palm Oil (CSPO) the confidence that the products they consume are produced without causing harm to the environment or to society," said Dr. Inke van der Sluijs, Director of Market Transformation for the Roundtable on Sustainable Palm Oil (RSPO).

Source: www.eco-business.com

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Plantation Associations Appeal to Govt on Foreign Worker, Taxation, Market Access Issues

Oil palm plantation industry associations have appealed to the government on three issues: foreign workers, taxation and market access.

In a joint statement, the associations appealed to the government to formulate and implement a top-level strategy that will consider allowing guest workers working in the sector who are currently in their respective countries of origin to return to Malaysia, as well as end the current pause in foreign worker recruitment for the sector.

They added that the Sarawak government's recent move allowing foreign workers back into the state could be emulated elsewhere in the country.

Sarawak has allowed foreign workers working on plantation estates in the state to return to their workplaces from March 1. Employers are responsible when it comes to ensuring the mandatory two-week quarantine for the workers and the administration of COVID-19 tests.

On the issue of taxation, the associations stated that with higher crude palm oil (CPO) prices in 2021, they expect substantial increases in the amount of tax charged on them this year.

Based on production and cost figures for 2020, the total estimated amount due in 2021 from income tax, levies, cess, sales and services tax (SST), excluding CPO export tax duties, can range from RM7 billion to over RM12 billion. In 2020, oil palm growers are estimated to contribute RM5.82 billion to the government's coffers in terms of taxes, levies and cess, excluding CPO export duties.

As such, these associations have called the Windfall Profit Levy (WPL) "eminently unfair" and are calling for it to be abolished. If the levy is not abolished, they are appealing to the government to review the threshold levels, which are currently at RM2, 500 per tonne CPO in Peninsular Malaysia and RM3, 000 per tonne in Sabah and Sarawak.

"For a start, the revision of threshold levels to RM3, 500 and RM4, 000 respectively would have closer semblance to the notion of windfall profit. In addition, portions of the WPL from the growers should also be channeled back to the palm oil industry as reinvestment to ensure the sustainability and competitiveness of the industry," the associations viewed.

When it comes to the Malaysian Palm Oil Board (MPOB) cess, the associations are calling for the government to not implement any additional cess payments (collected by the MPOB for uses within the industry). These associations also appealed to the government to re-initiate a restructuring of MPOB's operations to become more efficient and to be more in line with its original objectives and purpose.

Over the SST in Sabah and Sarawak, they are appealing to the governments in those states to welcome industry engagements to review their respective SST policies. In Sarawak, they expressed appreciation to the state's government engagement with the Sarawak Oil Palm Plantation Owners Association (SOPPOA).

The associations viewed that with new sources of revenue from hydrocarbon and petroleum products, the Sarawak and Sabah governments should consider abolishing or reducing the sales tax levied on palm products. If the taxes can't be abolished, they said the threshold levels of these taxes should be revised upwards, taking into account the current cost of production.

"Furthermore, we also propose that the sales tax be applied to the excess over the new threshold price to be considered. In addition, implementation of a practical mechanism such as exempting smallholders from the SST would go some way towards mitigating the plight of smallholders," the associations proposed.

The MPOB recently announced that it has increased the cess levied on per tonne of CPO and crude palm kernel oil (CPKO) to RM16, from RM14 previously, which will be used to support the establishment of the Mechanization and Automation Research Consortium of Oil Palm (MARCOP).

In Sabah, the government imposes an SST of 7.5% on CPO sales when CPO prices exceed RM1, 000 a tonne. In Sarawak, the SST on CPO and CPKO is at 5% when CPO prices are above RM1, 500 a tonne. These taxes are levied on revenue.

On market access, the associations also called on the government to invest more resources in government-to-government (G2G) engagements to address issues such as sustained and increasing anti-palm oil campaigns by environmental non-government organizations (NGOs) — including no-palm oil labelling campaigns.

They also touched on the US Customs and Border Protection (CBP)'s currently active Withhold Release Orders (WRO) on Sime Darby Plantation Bhd and FGV Holdings Bhd, labelling the bans as discriminatory trade barriers introduced by foreign governments. They also lamented that unrealistic expectations and compliance requirements are present, with ever-changing sustainability goals and practices also in effect.

The associations that signed the statement are: the Malaysian Palm Oil Association (MPOA), the Malaysian Estate Owners' Association (MEOA), the National Association of Smallholders (NASH), SOPPOA, the Palm Oil Millers Association (POMA), the Palm Oil Refiners Association of Malaysia (PORAM), the Malaysian Oleochemical Manufacturers (MOMG), the Malayan Edible Oil Manufacturers' Association (MEOMA), the Incorporated Society of Planters (ISP), the Malayan Agricultural Producers Association (MAPA), Sabah Employers Consultative Association (SECA) and Tawau Agricultural Association (TAA)

Source: www.theedgemarkets.com

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MPOB Invents Three–Wheeled Utility Farm Vehicle for Oil Palm Plantations

A group of researchers from the Malaysian Palm Oil Board (MPOB) led by Dr. Mohd Azwan Mohd Bakri has invented a three-wheeled utility farm vehicle equipped with a hybrid power electric sprayer system for maintenance of oil palm plantations and transportation of palm fruits in plantations.

Dr Mohd Azwan said, the three-wheeled utility farm vehicle built with a single chassis is lightweight and can be used for various activities in the plantations such as spraying pesticides using an electric pump. This vehicle can also be used for field applications by simply changing the rear platform. This simple innovation can increase the productivity of workers and smallholders of the country's oil palm industry.

In addition, other innovations are the use of hybrid generator power systems, namely solar panels and engine chargers with deep discharge batteries. This system will enable a continuous supply of energy for the application of electric pesticide sprayer installed on vehicles.

According to Dr Mohd Azwan, MPOB and a local Bumiputera company, Fulle Technik Sdn Bhd have signed an agreement for the transfer of the technology. Fulle Technik has embarked on an innovation effort to turn the results of this study into commercial products. This technological innovation is expected to be in the local market in the near future.

"This simple utility vehicle produced at an affordable price can be used in various types of plantation and agricultural activities. Meanwhile, hybrid electric generators are convenient to consumers as they can use electrical equipment in the plantations such as pumps, sprayers, sensors, and many more and at the same time they can take advantage of the industrial revolution 4.0 (IR 4.0) technology.

According to him, the function of the three-wheeled utility vehicle is similar to that of other motor vehicles in the market and it is powered by diesel or petrol engines. Additional power for farm equipment such as electric sprayers is generated from hybrid power systems; solar and engine chargers. This hybrid power system is controlled by user-defined electronic equipment via a switch placed in front of the cabin.

"This machine is developed through engineering research methods where the specifications are studied to ensure it is suitable for the target market. Therefore, production costs can be reduced," said Dr Mohd Azwan.

Research for this innovation began in 2016 and it was introduced in 2019. Preliminary studies were funded by MPOB and pre-commercialization efforts were funded by government agencies which included the Ministry of Entrepreneur Development and Cooperatives and the Malaysian Technology Development Corporation. Fulle Technik was appointed as the prototype developer while FGV Sdn Bhd was one of the plantation companies in the initial prototype testing.

This innovation differs from the three-wheeled utility machinery currently in the market built for rugged plantation activities such as for the transportation of fresh fruit bunches up to one tonne.

The three-wheeled utility vehicle places more emphasis on aspects of support activities in the plantations such as herbicide spraying. Smallholders do not need expensive and too heavy utility machineries to support their plantation activities and other agricultural activities due to their small farm size.

"This innovation invented by MPOB is expected to provide more benefits to smallholders, sustainable oil palm growers cooperatives as well as oil palm plantation companies. The selling price which is below RM15,000, based on the type of accessories requested, is the lowest in the local market for agricultural and plantation utility machinery. Additions such as hybrid generator power for plantation equipment can decrease the use of oil or fossil energy and at the same time reduce environmental pollution in agricultural activities," added Dr. Mohd Azwan.

China Approves Standard for Red Palm Oil Import

China has announced the implementation of the Chinese Group Standard for Red Palm Oil on 1 March 2021.

Director-General of Malaysian Palm Oil Board (MPOB) Dr. Ahmad Parveez Ghulam Kadir said, following the announcement, Chinese buyers are now able to import red palm oil from Malaysia by quoting specifications in the standard.

Previously, red palm oil was not allowed to enter into China due to the colour specification in the existing Chinese Standard for Palm Oil which was set at a maximum 3.0 red. Most of the red palm oil produced in Malaysia are detected at 7.0 red and above.

"The newly announced Chinese Group Standard allows the import of red palm oil without the barrier effective from 1 March 2021," he said.

Dr. Ahmad Parveez said, the Chinese Group Standard was the result from multiple stakeholder engagements and extensive bilateral cooperation between MPOB and the respective Chinese authorities, which enabled the entry of Malaysian red palm oil into China.

In 2014 and 2015, MPOB conducted an intervention programme with the Lanzhou University to help fight vitamin A deficiency among 2,000 school children in Gansu Province through the use of red palm oil which contains natural carotenes, a pro-vitamin A and powerful antioxidant.

"The programme effectively helped reduce the incidence of vitamin A deficiency among children from 21.6% to 6.1% after 6 months of intervention and MPOB takes pride in the Corporate Social Responsibility initiative which was jointly carried out with the Chinese Nutrition Society," added Dr. Ahmad Parveez.

In addition, MPOB through its regional office in Shanghai, China also known as the Palm Oil Research and Technical Service Institute of MPOB (PORTSIM China) together with local industry players and research institutes, has jointly developed food and animal feed formulated with red palm oil.

These products, including the red palm-based extruded snacks, red palm-hot pot soup stocks, red-palm dog food and red-palm feed for layer chickens, will help strengthen the Malaysian palm oil markets in China through reaching out to the Chinese producers as well as consumers.

"We hope Malaysian exporters can grasp this golden opportunity to sell the premium and nutritious red palm oil to China, a multi-segment market with the most diversified consumers in the world," said Dr. Ahmad Parveez.

Besides red palm oil, China also announced the official implementation of the Chinese Group Standard for Palm Kernel Cake.

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Palm Oil: Sumwin Offers Technology to Mitigate Harmful Chemical Compounds

Edible oils are becoming an important food source with more than 202 million tonnes consumed from 238 million tonnes produced in 2019.

Malaysian Palm Oil Council (MPOC) Science and Environment Division director Dr Ruslan Abdullah said however, that edible oils are prone to many contaminants, which can be biological, physical or chemical in nature.

"Even though the nutrition value of food is important, if the contaminants were consumed above the threshold limit, it may be considered hazardous.

"In general exogenous contaminants can be removed or reduced during refining, but for contaminants such as long-chain mineral oils, no technology is available today," he said during MPOC's webinar series: Malaysia's Palm Oil Industry Regulation and Quality Standard.

Thus, he said there was a need to balance between removal of harmful contaminants and the formation of new contaminants and production costs.

"This remained a technical challenge as to how to introduce flexibility to refineries without increasing costs," he added.

Nevertheless, Sumwin Solutions Malaysia Sdn Bhd attests that the technology it offers to mitigate 3MCPDE (3-monochloro-propanediol esters) and GE (glycidyl esters) formation during palm oil refining, is able to solve the problem, as it is designed from a practitioner's perspective.

3MCPDE and GE are substances that can be found in refined oils and fats.

Sumwin Group founder and chief executive officer U.R. Unnithan said the company's technology would reduce the level of a potentially harmful chemical compound from palm oil, with more than 80% of organic chloride taken out without causing loss of oil in the system.

"We don't use any additive, no emulsification, the system is fully automated, and we guarantee to our users less than 0.1% goes to waste.

In addition, Unnithan said Sumwin's technology is cost-effective, both from a capital expenditure (capex) and operating expense (opex) perspective.

"For a typical 1,500 tonne per day refinery, our calculations showed that companies could save as much as US$3 million per year, if you deploy our technology over alternate technologies in the market," he added.

Source: www.theedgemarkets.com

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Tackling Indonesia's Poverty with Palm Oil

This photo taken on 16 August, 2019 shows workers loading palm oil fruits onto a truck at a plantation in the Nagan Raya district in Aceh province. (AFP Photo)

Indonesia, the world's fourth most populous nation, and 10th largest economy in terms of purchasing power parity, has made enormous gains in poverty reduction – cutting the poverty rate by more than half since 1999, to 9.78 percent in 2020.

Nevertheless, out of a population of 270.2 million, an estimated 26.42 million Indonesians still live below the poverty line. Without a significant expansion of social assistance, five to eight million more Indonesians could be pushed into poverty because of COVID-19 shock.

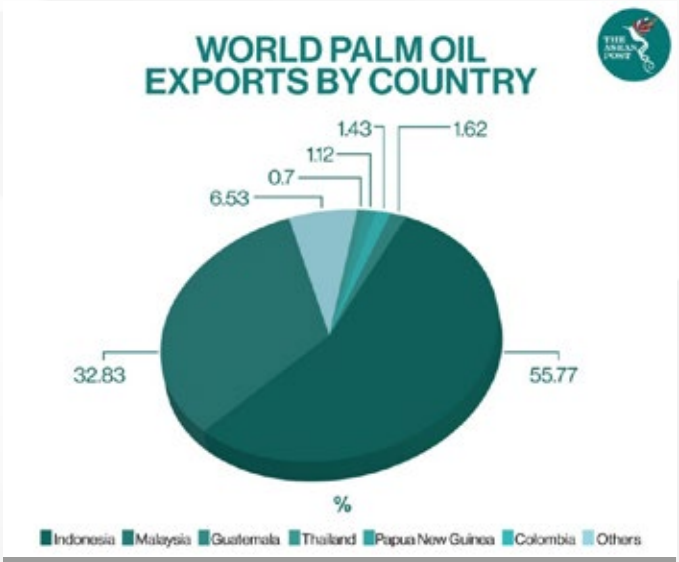
With around 40 percent of Indonesia's palm oil owned by smallholders – mainly in Kalimantan, Sumatera and Sulawesi – the palm oil industry has a lot of potential for Indonesia to achieve the United Nations' (UN) Sustainable Development Goals (SDGs).

The SDGs, which are targeted to be achieved by 2030, including eliminating poverty, growing affordable and clean energy, climate action, and eradicating hunger.

The palm oil industry has helped lift millions of people out of poverty, both in Indonesia and Malaysia, which together account for around 85 percent of global production. Oil palm plantations have created millions of well-paying jobs and enabled tens of thousands of smallholder farmers to own their own land.

However, the European Union's (EU) sanctions on Indonesia to halt palm oil imports in 2020 is indeed problematic. The reason for such action as mentioned by the parliament of the EU is related to human rights issues such as child labor, the omission of the rights of indigenous people, and deforestation and habitat damage.

As the contribution of Indonesia's crude palm oil (CPO) exports to Europe is only 14 percent of total CPO exports, there were no significant impacts found in the suspension of palm oil exports on Indonesia by the EU. Nevertheless, the government of Indonesia should consider protecting the development of its palm oil industry from the violation of human rights and deforestation.



Source: Various

Analysis

Indonesia, as one of the leading producers of crude palm oil, has been successful in serving the domestic and world market with palm oil-based products and palm derivatives. The industry contributed US$5.13 billion to foreign exchange savings in 2020.

Several studies have shown that palm oil is an important contributor to Indonesia's economic growth. Therefore, disruption in this sector will inadvertently affect other sectors of the economy as well.

For instance, according to a 2004 research paper titled, "Contribution of oil palm industry to economic growth and poverty alleviation in Indonesia," the author Wayan R Susila found that the industry contributed to the archipelago's economic growth and has a significant impact on alleviating poverty and income distribution within society.

The same result was obtained by another researcher in 2015 who showed that the expansion of palm oil's share of land in the 10 districts that experienced the largest expansion would decrease the poverty rate and narrow the income gap.

In 2019, it was estimated that the palm oil industry had succeeded in lifting 2.6 million rural Indonesians out of poverty.

While at the regional level, Gatto et al. in 2017 showed that contracts between smallholder palm oil farmers and private or state-owned companies significantly contributed to the regional economy especially at the village level in the form of infrastructure built. This not only benefited contract farmers but also non-contract farmers as well.

However, if mismanagement happens, the production of palm oil can result in land grabs, loss of livelihoods and social conflict. Moreover, human rights are often violated at plantations. The resulting conflicts could have a significant impact on the social welfare of many. Clearing land for plantations also involves burning rainforests, and in the process – endangering rare species and releasing 100 times the greenhouse gas (GHG) of conventional forest fires.

Moreover, in Indonesia, there is limited oversight by labor authorities due to lack of enforcement capacity and the remote location of many plantations. This also contributes to child labor in the palm oil sector.

Recommendations

The development of a green economy in the palm oil industry should be based on three aspects namely: economic, social and environmental.

First, under the economic aspect, legal tools need to be developed together with building implementation capacity to strengthen management in areas with land of high conservation value but zoned for agricultural use.

Second, ensuring the social aspect that focuses on developing measures to safeguard community benefits during the implementation of smallholder partnership agreements is in accordance with negotiated terms and conditions. In addition, job creation or other forms of community livelihoods support during the period when palm trees are maturing should be agreed upon between companies and communities.

In order to tackle the issue of child labor in the palm oil industry, further improvement of government policy is needed. This can be achieved by improving compliance among plantations, strengthening monitoring systems, conducting labor inspections and providing grievance mechanisms.

Last but not least, there must be minimal to no impact on the environment with a balanced eco-system, efficient use of resources, use of alternative energy such as solar energy, biomass energy, and wind energy to replace conventional energy, and the use of environment-friendly technology.

Together, to achieve Goal 1 of the SGDs which is eradicating poverty, there should not be any human rights violations and destruction to habitats or environmental damage.

Source: theaseanpost.com

Mechanisation and Automation Vital For Smooth Operation of Nation's Oil Palm Plantations

Technology and innovation are crucial to ensure the competitiveness of the nation's oil palm industry in the global market. Hence, the adoption of mechanisation and automation is vital for the smooth operation of the oil palm plantations, which currently faces a critical labour shortage.

The oil palm plantation sector is among the economic sectors which is dependent on labour to carry out the operations which include harvesting and collecting the fresh fruit bunches (FFB).

MPOB's research in mechanisation has developed more than 40 machines for adoption by the oil palm plantation sector for its operations such as harvesting.

Among the mechanisation technologies adopted by the sector are the harvesting machine called Cantas, in-field transporter (Grabber, Motorcycle Trailer, Beluga) and loose fruit collectors.

The emphasis on mechanisation is also meant to encourage the involvement of the locals in the oil palm plantations, which has been associated with the 3Ds stigma - dangerous, dirty and difficult.

Malaysian Palm Oil Board (MPOB) continuously collaborates with the industry players to prioritise research to ensure that it caters to the needs of the industry and addresses global issues.

In line with that, MPOB and the local industry players has proposed the formation of the Mechanisation and Automation Research Consortium of Oil Palm (MARCOP).

The objective of the consortium is to enhance the industry's research and development (R&D) and commercialisation at the national level.

The new entity, which was highlighted by Honourable Minister of Plantation Industries and Commodities Datuk Dr Mohd Khairuddin Aman Razali recently and to be launched soon, aims to improve the technology of mechanisation and adoption, which will optimise the operational efficiency and harvesting of oil palm fruits and address the issue of labour shortage in the oil palm plantations.

These will be implemented by sharing resources and producing technologies for the country's oil palm industry.

The consortium will focus on the latest technologies and may also include advanced technologies that embraced industry revolution 4.0.

It will transform the operations in the oil palm plantations by adopting the latest technologies such as drones, robotic, augmented reality, sensors and big data for integrated and systematic operations.

MARCOP will be mandated to develop viable technologies to resolve the oil palm industry's prolonged issues and challenges.

Its main focus area is on harvesting technology especially on tall palms. This technology will also help to reduce dependence on labour and may attract local talent into the plantation businesses.

In line with the industry's demand, the additional cess collection of RM2 per tonne imposed on the manufacturers of crude palm oil and crude palm kernel oil effective March 1 this year, will be channelled first to MARCOP until it reaches RM30 million before channelling it for its existing purposes of R&D activities and promotional activities which involved agencies such as Malaysian Palm Oil Council (MPOC) and Malaysian Palm Oil Certification Council (MPOCC) as well as commitment for Council of Palm Oil Producing Countries (CPOPC).

The allocation of RM30 million for MARCOP will complement the allocation of the RM30 million provided by the government through matching grants to encourage the industry's investment in mechanisation and automation as announced in the 2021 Budget.

Hence, the government's move to impose the additional cess of RM2 to RM16 per tonne should be well received by the industry players as it will enhance the technological competitiveness of the country's oil palm industry.

The implementation of the new cess rate is apt in view of the bullish performance of crude palm oil price (CPO) this year.

The price of CPO was above the RM3,000-level per tonne early this year and is projected to be on the uptrend due to the favourable market sentiment.

On March 15 2021, the price of CPO broke its record when it surged to RM4,247.50 per tonne, the all-time high in the history of the Malaysian palm oil industry and has potential to continue its uptrend based on the favourable market sentiment, declining stock, increasing exports and the strengthening of soybean oil price.

The writer is the director-general of Malaysian Palm Oil Board

The above comments and opinions in the article are the author's own and do not necessarily represent Asia Palm Oil Magazine's view.

Source: www.nst.com.my

Q&A: Ensuring Sustainable Palm Oil Production amid a Pandemic

Golden Agri-Resources' Agus Purnomo explains how governments and consumers' collaboration is vital in sustainable palm oil production. Photo by: © 2021 Golden Agri-Resources Ltd. All Rights Reserved.

When it comes to making the palm oil industry more sustainable, the plantations themselves can't do it alone. Agus Purnomo, managing director for sustainability and strategic stakeholder engagement at Singapore-headquartered palm oil company Golden Agri-Resources, said the collaboration of governments and consumers is vital, especially as the industry faces additional challenges amid the COVID-19 pandemic.

Sustainable palm oil production works to conserve the environment, safeguards social interests, fulfills food demand, contributes to poverty reduction, and supports affordable food prices. This means working with farmers to eliminate deforestation and the clearing of land by burning. But such sustainability creates additional cost, Purnomo said, which is something that consumers need to understand.

"The cost, big companies like us can manage, but for the millions of smallholders, definitely they will not be able to afford it. So if our consumers in Europe, North America, and in Asian countries would like to consume sustainable products, they need to share the burden, know the challenges on the ground, and find a way to help alleviate those," he said.

In Indonesia, GAR's palm oil plantations span 500,000 hectares, yet that still equates to less than 4% of the country's total plantation area. "So there is no way GAR itself can deliver sustainable oil products for the whole of Indonesia. We need the collaboration of many parties — not only other growers, but also the Indonesian government and, more importantly, the customer and end-use consumers," Purnomo said.

Speaking to Devex, Purnomo explained the specific challenges in becoming a sustainable palm oil producer, how those have been exacerbated by COVID-19, and how technology can help.

1. What challenges does the palm oil industry face when it comes to implementing sustainability, and how have those been exacerbated by the pandemic?

The implementation of sustainability in the last years [has been] challenging. There are issues with various activities, processes, and transfers of ownership from the smallholder farmers to the processing facility of the palm oil, etc. All of these processes are quite complicated, and they need to comply with the same standards of sustainability, so those are the complications of achieving sustainable palm oil products throughout our supply chain.

As an example, in collaboration with agritech company Satelligence, recently we have been working to reduce the risk of deforestation throughout the company's supply chain by utilizing satellites and ensuring that our supply chains do not infringe or get into the forest areas. The forest and fires continue to threaten the sustainability aspect of our operation.

Like many others who are operating in remote areas, we also have to adapt to the constraints of having a pandemic around us. Starting with the implementation, it's definitely more challenging because of travel restrictions and social distancing. And of course, we need to ensure that our workers and local communities surrounding our operations [are safe]. We want to ensure that sustainable implementation can continue while taking all precautionary activities in regards to COVID-19.

Irpan Kadir, supply chain compliance lead at Golden Agri-Resources, explains how an integrated ecological farming approach helps improve productivity and reduce deforestation. Via YouTube.

2. How is GAR working to overcome these challenges?

We have innovated our engagement activities with our suppliers, ensuring that they comply with our corporate values through developing a sustainable information system featuring an electronic database combined with satellite usage. This enables us to deliver up-to-date information, which assures sustainability auditors that we are still able to implement what is required to maintain our sustainability certifications.

In [regards to] overcoming the pandemic, aside from supporting agriculture practices, we also help through the Alternative Livelihood Programme, where we help farmers achieve a healthy and nutritious food supply for their family while encouraging them to not use fire when they're preparing their own home garden or plantations.

3. What role can technology play in ensuring the industry operates sustainably, especially during the pandemic?

Technology helps us a lot. For example, in the second semester of this year, there is a prediction that the dry season will be occurring in Indonesia. Satellite technology, drones, and other technology can help us to monitor and deploy staff for a quick response on the ground and prevent and verify hot spots for small fires, preventing them from becoming bigger. This will also help us to ensure that our canals, firebreaks, dams, and water reservoirs are in full operation.

We were, in a way, a bit blessed by the climate that last year, in that we did not have El Niño, overall the rain was sufficient for our plantations. If we had an El Niño, then technology would also [help] because we're moving into operations that use a water-dripping system to maintain the moisture in our palm oil trees so that they can still bring about the same productivity that we could harvest during a normal season.

Implementing new technologies, satellite-based technology, cellular phones, and internet connections is all very useful. However, technology, at the end of the day, cannot replace human resources or the specific roles of human assets. Technology needs human assistance in its operations. We need staff members who are trained to work with those new technologies, can analyze the data, and come up with the context of the data.

Though we have implemented new technologies, at the end of the day, agricultural work is human-based work. We cannot leave it to the machines, because a big part of the sustainability criteria also relates to social issues including workers' rights and human rights. So we need to continue demonstrating that palm oil plantations respect workers' rights and human rights, including those of women and children.

Source: www.devex.com

4. What advice would GAR have around taking a sustainable approach to palm oil production?

The big challenge in sustainability practice is to know where your product is coming from. What that means is if you buy soaps or chocolates that use palm oil ingredients from our refineries, the manufacturer of your soap and chocolate can tell where the oil is coming from, who owns the palm oil trees. We, at GAR, call it "traceability to the plantation."

At GAR, we aim to have 100% of products sold traceable to the plantation. Unfortunately, the pandemic last year prevented us from achieving that target. We are now at the level of having more than 90% of products traceable to the plantations. We're hoping that this year, with the help of technology and hopefully with the vaccine lessening restrictions of movement we can achieve 100%.

We also use the services of a satellite company and of an IT company to collect data from our regular suppliers, specifically the independent smallholder farmers, because there are millions of them in Indonesia. We are buying from between 70,000 and 90,000 individual farmers, so traceability is key to implementation of sustainable practices.

Key to palm oil sustainability practices is also the ability to prevent forest fires. In the last four or five years, less than 1% of our plantation areas were affected by fires. In fact, last year 99.9% were not affected by fires. But still, there is a perception that palm oil creates the fires.

Therefore, we are also helping the communities surrounding us to participate in the effort to not use fire in their agricultural operations and to create awareness that using fire for agriculture is dangerous. We help schools with comic books, train teachers so that they can have special sessions with their students, and encourage them and their parents to prevent the occurrence of forest fires.

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Oils and Fats Industry Outlook on the Ongoing Pandemic

Jakob Helms

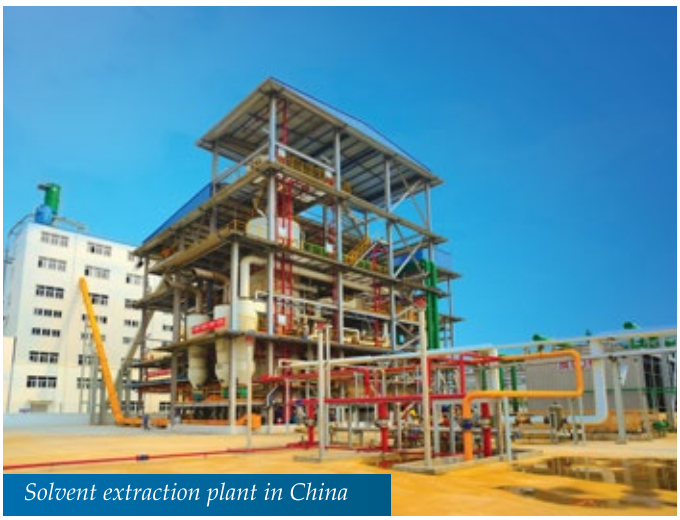
Jakob Helms, CEO of JJ-Lurgi, oversees the Malaysia-based life sciences business unit of Jebsen & Jessen Group and has done so since 2012. Having worked in Asia for over 26 years in the fields of engineering solutions and plant marketing, he brings with him a deep understanding of the region and a wide breadth of knowledge and experience. Jakob joined Jebsen & Jessen Group in 2000 at the engineering division before transferring to JJ-Lurgi as its General Manager in 2002. Before his time at JJ-Lurgi, Jakob developed his career at a Danish multinational engineering company. A Danish national, Jakob holds a Masters degree from the Technical University of Denmark.

1. With more than 20 years of experience, could you share with us JJ–Lurgi's history and background?

JJ-Lurgi is a joint venture between diversified industrial conglomerate, Jebsen & Jessen Group and Air Liquide. Established in 1992, JJ-Lurgi is a full-fledged engineering practice and leading innovator in the field of oils & fats, oleochemicals, and biodiesel. With engineering roots in Germany, we contract locally for our markets in Asia and have developed new generations of in-house expertise attuned to our clients' particular needs. With more than 20 years of experience, we are able to provide insights into the nuances of oleochemical engineering culture, influencing our current work philosophy and future endeavors. Our business has transformed over the years to become a full-fledged engineering practice today that is among the strongest in the region, successfully delivering more than 300 plants across South East Asia, China and beyond.

Strategically located in Malaysia, Indonesia and China, our wide network and deep knowledge of the region, coupled with our state-of-the-art technology and engineering expertise, allow us to respond quickly to our customers' needs and build a sustainable future for our partnerships. We continually invest in our organizational infrastructure and competence which enables us to fulfill our commitment to our customers. Research and development are consistent elements of our work, helping us to continuously offer new concepts and enhanced solutions to our customers.

Fatty acid and fatty alcohol complex in Dumai, Indonesia



Solvent extraction plant in China

2. How does JJ–Lurgi compete with other similar market players to ensure the technologies and processes are up–to–date and relevant in the market?

At JJ-Lurgi, we provide innovative technologies for industries such as Edible Oil Extraction, Oil Refining, Fats Modification, Oleochemicals and Methylester (Biodiesel) that focus on the processing of renewable raw materials, including oil seeds, edible oil, oleochemicals and biofuels. We also offer expertise in the areas of process development, detailed plant engineering, global sourcing and plant upgrading.

We are able to differentiate ourselves by designing solutions that optimize resource utilization and create efficient processes that factor in the impact of the plant on people and the environment. Consistent research and development has always been a core element of our work, allowing us to continuously offer new concepts and enhanced solutions to our customers while ensuring existing technologies and processes are updated and relevant.

As a testament to our R&D core and capabilities, last year, we debuted our Twin-Track Sliding Cell Extractor that is the first of its kind globally and multi-seed capable. It is capable of capacities above 5000 tonnes per day, maximizes oil extraction, and grants improved energy efficiency; with a unique mild vacuum technology that lowers the hexane content in wet meals and reduces the live steam consumption at the DTDC (desolventising, toasting, drying, and cooling) stage. We have also successfully commissioned the Twin-Track Sliding Cell Extractor in our largest extraction plant project which has helped our partner achieve a 20% and 30% reduction in steam and hexane consumption respectively, as compared to plants of similar scope.

Further improvements have also been made to our glycerine distillation technology by introducing a heat recovery unit for improved steam and cooling water consumptions of the plant. We also managed to lower the vacuum motive steam consumption.

Oleochemical complex in Pasir Gudang, Malaysia

As part of the Jebsen & Jessen Group and a joint venture with Air Liquide, a world leader in the industry, we bring the best of both worlds - world class, high-quality solutions, innovations and technologies that are adapted and localized to the region and leverages distribution expertise through an extensive network and understanding of local markets. Over the years, we have built our reputation and trust among customers based on our projects' reliability, success, and performance. From supplying and working on the largest plant for edible oil refinery and biodiesel, to oleochemicals and solvent extraction, we provide the best for our clients and their businesses.

Installation stage of an oleochemical plant project in Malaysia

Palm oil refinery in South Kalimantan, Indonesia

3. 2020 was a challenging year for most of the industries in the world due to the outbreak of the COVID–19. Despite the economic state last year, the palm oil industry managed to perform well and was the largest produced vegetable oil in 2020. Does JJ–Lurgi experience any turn of events from this?

The COVID-19 pandemic has certainly posed various challenges globally and for the industry and we are glad to have weathered the storm as part of the Jebsen & Jessen Group and continue on our growth journey, emerging stronger from the crisis. Some of the challenges we have overcome include adjusting to social distancing measures and working from home, delays in our site work and travel restrictions. All this is also underscored by a general slowdown in the market and industry as everyone grapples with the pandemic and its ever-changing reality.

From adopting technologies and introducing new policies, we have ensured that our employees are able to give their best, any time, anywhere to our customers, which has allowed us to buck the trend and ensure a sustainable future with our customers and partners despite the pandemic.

For example, we were able to commission our solvent extraction plant for a China state-owned enterprise in just under a month despite the COVID-19 pandemic, overcoming challenges and restrictions that arose. This also included a successful test run with all contractual agreements and expectations met.

Apart from that, we were also able to complete our commissioning for a Brazilian plant remotely. All these were made possible by using teleconferencing facilities and the use of dial-in Teamviewer (software application for remote control, desktop sharing and file transfer between computers), ensuring that our team based in Kuala Lumpur can provide step-by-step supervision and guidance to the local engineers in the field as they perform the commissioning work or even take control of the system remotely if required.

Remote commissioning via Teamviewer

4. The Malaysian government had decided to raise the cess levied on crude palm oil (CPO) and crude palm kernel oil (CPKO), what do you think are the effects that would be felt in the refining industry?

It will improve mechanization and automation in our industry. With the additional cess of RM2, more investments will be poured, especially in the downstream sector, into upgrading our refinery technologies and equipment to maximize operational efficiency and productivity. The increase in automation will also address the manpower shortage situation in our industry. At JJ-Lurgi, our capabilities and outstanding workforce means that we are well poised for this future.

5. Is JJ–Lurgi working on any new solutions or future development that can assist in the oil and fats industry?

Hydrotreated vegetable oil (HVO) is an identical fuel to diesel or kerosene, but made from low quality used cooking oils, waste oils and animal fats. We offer competitive pretreatment solutions for oil refiners moving into renewable fuel, which fulfil the stringent purity requirements of the HVO catalyst suppliers. Apart from the conventional pretreatment process, we also offer our patented Oil Splitting (Hydrolysis) solution to further boost the quality and yield of pretreated oils. The Hydrolysis solution

Biodiesel Plant

further adds value to our customers by producing valuable by-product, premium glycerine, which brings additional value creation in terms of producing refined glycerine or green chemicals from any existing HVO plant.

There are also concerns and growing attention on the formation of contaminants in food oil such as 3-monochloropropane diol (3-MCPD) and glycidyl esters (GE) during oil refining. We have proven solutions to mitigate or remove these contaminants.

Further market developments have seen the rise in demand of cocoa butter equivalents (CBE), a product which is fully compatible with cocoa butter and shares the similar chemical and physical characteristics, making them an ideal replacement to cocoa butter. We provide solutions in the market, offering technology that maximizes yield of exotic oils like shea butter for blending into CBEs.

Together with our principal Air Liquide, we are introducing a number of new technologies to the market, such as soap carbonate technology (acid-free soapstock splitting), supercritical biodiesel production (catalyst-free process), bio propylene glycol production (a BASF licensed technology) as well as sorbitol production (hydrogenation of glucose).

We are frequently looking to collaborate with our customers, suppliers and local leading universities for research and development purposes, including laboratory and pilot plant testing. We also support our local universities by offering internship programmes to groom the future engineering talents of our country.

6. Lastly, do share your advice with the players in the palm oil industry.

I would like to highlight the importance of cooperation between all palm oil players in the industry and relevant government bodies on conservation efforts to combat misconceptions in anti-palm oil campaigns. We can lend our support and voices by advocating for palm oil sustainability and addressing the misconceptions of palm oil.

Equally important, everyone in the industry has a part to play in increasing sustainability efforts throughout our process chain and ensuring only the use of ethical methods to obtain palm oil. This includes keeping clean records, preventing the burning of forests, and ensuring fair trade and labour practices within own organization and also holding up partners to the same standards.

An Interview with Mr. Xu Bin, Chairman of Myande Group

Myande Engineering and Manufacturing Center

As one of the world's leading providers of integrated solutions in Oils & Fats, Starch & Derivatives, Meal Fermentation and Evaporation & Crystallization industries, Myande Group focuses on manufacturing high quality mechanical products and supplying complete solutions that enable its clients to succeed.

Xu Bin, chairman of Myande Group, has always adhered to the core concepts of creating value for customers to continuously enhance the influence of Myande in grain processing industry around the world.

Xu Bin, Chairman of Myande Group

- Director of Chinese Cereals and Oils Association
- Vice President of the Oil Branch of Chinese Cereals and Oils Association
- Senior Economist

1. Myande Group owns an effective worldwide sales and service network with branches and agents in many countries. What are the company's comparative strengths and strong suit than other similar market players in the industry?

In Oils & Fats, Starch & Derivatives, Meal Fermentation and Evaporation & Crystallization industries, Myande provides customers with integrated engineering services, which include process design, equipment manufacturing, design and supply of automatic control systems, installation, commissioning, and training. According to diversified customer needs, Myande provides customized solutions.

The largest oilseeds crushing facilities in China, namely the 6,000t/d soybean crushing facility, 3,000t/d canola seed crushing facility, 700t/d corn germ crushing facility, and 1,000t/d soybean white flake processing facility, one single line, are all designed and supplied by Myande. Over the past five years, Myande has become a global engineering company and has supplied more large-scale turnkey projects, this means 5,000t/d oilseed crushing and 1,000t/d oil refinery, than any other engineering companies in the world. Myande has exported to Europe a large-scale complete oilseeds crushing line. In terms of capacity, this crushing line is the largest one among all crushing lines ever exported to Europe by any other Chinese engineering company.

10,000TPD (2 Lines of 5,000TPD) Soybean Crushing and 2,000TPD (2 Lines of 1,000TPD) Oil Refinery Project

2. What do you think makes your company an industry leader in its fields?

Talent strategy

Myande's mission is "with professionalism, we manufacture high quality mechanical products and supply complete solutions that enable our clients to succeed. We are dedicated to create a bright future for us as well as for our clients". In order to realize this mission, Myande has established the international talent strategy, enrolled international top experts, and formed a team of high-quality engineers. We cultivate a culture of passionate people and inspired innovation. We support our employees and their professional goals because an investment in our people is an investment in our future.

Technological innovation

Myande always insists on continuous R&D innovation. The annual R&D expenditure exceeds 10% of total sales. A professional R&D team of nearly 100 people promotes the more efficient development of the entire industry.

Myande always adheres on its customer-oriented principle, actively carries out research on cutting-edge technology and products, and has maintained out industry leading position. Myande has developed a series of large-scale high-end intelligent equipment and advanced production technology. And they have been widely applied in many large edible oil mills, which has solved many development pain points and helped customers achieve extraordinary results.

Myande Flaker

World-leading intelligent manufacturing platform

Myande intelligent manufacturing base is featured with high intelligence, automation and efficiency in which various sensors, intelligent control system, industrial robots and automated production line are adopted. Myande has formed the manufacturing system that integrates design and manufacturing, intelligent management, data informatization and control automation.

Myande is committed to providing excellent process solutions, and has strict requirements on the quality of equipment manufacturing. The stability and reliability of equipment are prerequisites for creating value and benefits. Myande has an industry-leading manufacturing platform, with a manufacturing workshop area of nearly 80,000 square meters consisting of cutting, machining, welding, painting, assembly, packing and other sections. Three high-power laser cutting machines, modern machining equipment, gantry machining center, welding robots and other advanced processing equipment ensure the accuracy of each component. Sandblasting, rust removing, pickling ceramicization, and powder coating ensure the painting quality of equipment. Myande's complete quality control system and quality control methods have also been fully recognized by global customers.

CNC Workshop

Global sales and service network

Myande owns a highly effective worldwide sales and service network with branches and agents in many countries. Myande's delivery time and delivery quality have been highly praised and recognized in the industry.

3. What enterprise spirit and management philosophy provides inexhaustible impetus for enterprise development?

"Passion, precision, honesty" is not only the origin of the name of Myande, but also the core value of Myande, and the code of conduct for all employees.

Our Values:

Passion

- curiosity
- sense of mission and responsibility
- clear vision
- creativity
- initiative
- team spirit
- fast action

Precision

- attention to details
- workmanship
- professionalism
- accuracy
- seeking excellence

Honesty

- kindness to people
- positive view of the world
- frankness in communication
- completeness in expression
- faithfulness to commitments
- enabling clients to succeed
- empowerment of employee development
- respect to shareholders
- social responsibility

Myande Team

4. Palm oil industry managed to thrive despite the economic state last year. What are the demands for the palm oil mill machinery during the pandemic?

As a world-renowned supplier of palm oil equipment and turnkey plants, Myande has indeed received many inquiries from palm fruit producing countries in the past year despite the pandemic. Many investors are very interested in palm oil processing, and some of them have prepared the land and funds for their projects. In the future, with the improvement of palm oil processing technology, the economic benefits of its production will become more and more significant. Myande will continue to contribute to the innovation and development of palm oil processing industry.

900TPD Multiple Oil Refinery, Malaysia

Delivery of Largest Edible Oil Complete Equipment Project Exported to Europe

5. How does Myande seize the opportunity to go global and to open up the international market?

Myande actively responds to the national initiative of "One Belt, One Road". With its increasingly strong corporate strength and continuous breakthrough innovation capabilities, Myande's footprints have spread throughout the Middle East, Asia, Africa, Europe and America.

In 2020, Myande exported the complete equipment for processing 3,000t/d soybean, 2,000t/d rapeseed and 2,700t/d sunflower seed to Russia. It has been the largest edible oil complete equipment project exported to Europe from China so far, with completely independent intellectual property rights.

Through sincere cooperation with customers, Myande has undertaken more than 300 projects in more than 30 countries around the world, which has been fully recognized by customers.

6. What are Myande's future goals and plans, say for the next five years?

Myande's corporate mission:

With professionalism, we manufacture high quality mechanical products and supply complete solutions that enable our clients to succeed. We are dedicated to create a bright future for us as well as for our clients.

In the face of the future, Myande needs to focus on improving the following aspects in order to become the world's leading solution provider.

Firstly, Myande will further strengthen technological innovation and always insist on leading the development of enterprise with technology. Myande will also further increase investment in research and development, strengthen the introduction and training of talents, attach importance to the combination of industry-university-research, and further strengthen cooperation with well-known universities and research institutes at home and abroad.

500TPD Palm Kernel Cake Solvent Extraction, Indonesia

Secondly, Myande will strengthen the management of informatization and digitalization, and gradually realize the standardization of internal management of enterprise. Myande will also use information technology to actively explore remote information system monitoring and remote maintenance for customers under the conditions of customer authorization, so as to resolve problems that may occur in the production process timely and improve the speed of rapid response to customers.

Thirdly, Myande will further improve the level of intelligent manufacturing and make greater strides on the basis of the industry's global leadership. The "intelligent factory" created by Myande needs to use various sensors, intelligent control systems, industrial robots and automated production lines through the deep integration of management information and equipment automation to build the intelligent manufacturing system integrated with design & manufacturing, intelligent management, data informatization and control automation.

Fourthly, Myande will establish a more meticulous global service system to be closer to customers. Myande actively follows the national initiative of "One Belt, One Road" and "Going Global", deeply analyzes and excavates customer needs, makes full use of its own international and diversified advantages, optimizes process plans and product upgrades, and accelerates international business system and product system construction to further consolidate the market position.

Biodiesel Refinery Project, Malaysia

GEO CONNECT
Asia 2021

Geo Connect Asia 2021, Singapore's First Large-scale Pilot Hybrid Event in 2021, Attracts Close to 1,200 International and Local Attendees as Southeast Asian Geospatial Industry Gathers Steam

Participants from 55 countries experienced the pilot event, which prototyped new solutions and marks another step in the journey towards safe and innovative business events in Singapore

Singapore, 29th March 2021 – Geo Connect Asia (GCA) 2021, Southeast Asia's inaugural geospatial and location intelligence technology conference, welcomed some 1,200 exhibitors, speakers, delegates, and visitors to participate in the event on 24th and 25th March. In-person attendees were treated to two eventful days of keynote speeches, plenary sessions, roundtables, and more, while about 700 professionals and media from across the global geospatial community tuned in virtually to enjoy a highly curated, immersive and interactive virtual trade event experience. Both physical and virtual attendees hailed from 55 countries.

The event was graced by Singapore Minister for Foreign Affairs and Minister-in-charge of the Smart Nation Initiative Dr Vivian Balakrishnan, as Guest-of-Honour. Mr Alvin Tan, Minister of State for Trade & Industry and Culture, Community & Youth also attended GCA 2021, and was brought on a tour of the event where he met with exhibitors and trade delegates, culminating in a visit to the Singapore Pavilion – an exhibition hall featuring myriad Singaporean firms that are part of a fast-growing local geospatial and location intelligence industry.

GCA 2021 was supported by a host of Singapore government agencies, namely the Ministry of Trade and Industry (MTI), Singapore Tourism Board (STB), Singapore Land Authority (SLA), Economic Development Board (EDB) and Infocomm Media Development Authority (IMDA).

GCA 2021 also featured Digital Construction Asia 2021 (DCA21) and Unmanned Aerial Vehicle Asia 2021 (UAV21), which showcased the full range of geospatial and location intelligence applications for key government agencies and enterprises.

Supported by the Emerging Stronger Taskforce (EST)[The EST was formed under the Future Economy Council (FEC) to review how Singapore can stay economically resilient and build new sources of dynamism to emerge stronger from COVID-19. The EST is co-chaired by Minister for National Development, Mr Desmond Lee, and Group CEO of PSA International, Mr Tan Chong Meng, and comprises members from various sectors, including businesses and trade associations and chambers. It has convened the Singapore Together AfAs, which are industry-led, government-supported coalitions that act quickly by

prototyping ideas in areas of opportunity for Singapore. The AfA on Enabling Safe and Innovative Visitor Experiences is one of these AfAs.] Alliance for Action (AfA) on Enabling Safe and Innovative Visitor Experiences, such pilot events facilitate progressive scaling up to larger events, and provide a crucial springboard to recovery and growth for both the ASEAN geospatial community and the wider MICE industry, overturning the assumption that larger international MICE events cannot be held safely. They are also a testbed for event organisers to refine the implementation of safe management measures and best practices for MICE events progressively.

With a multitude of innovations to ensure the safety and well-being of in-person attendees in light of the pandemic, GCA 2021 saw the use of a Bluetooth-enabled dongle which tracked attendees' location and duration of interaction with other attendees at the event. The device, which was part of the Safe Event platform[The Safe Event platform is a technology solution created by local companies Viatick and Trakomatic during the SafeEvent Challenge at IMDA's Open Innovation Platform.] trialled onsite, aided GCA 2021 in ensuring the necessary Safe Management Measures (SMMs) were met. The pilot event also featured Geo Suites - ballrooms converted into "exhibition booths" that assumed the role of a typical trade show floor as the main mode of interaction and helped to minimise intermingling between cohorts of attendees – and Meeting Pods that allowed 2-to-2 meetings to take place with the safety of a plexiglass divider as well as hand sanitisers and cleaning supplies.

At GCA 2021, Antigen Rapid Tests (ART) were administered onsite both days of the event. The expansion of daily testing beyond foreign attendees allowed risk to be managed during interactions throughout the conference. The testing provided valuable findings and data that will allow for the progressive refinement of SMMs and best practices for future MICE events in Singapore.

Rupert Owen, Co-founder of Geo Connect Asia, organised by Montgomery Asia, said, "Two years in the making, Geo Connect Asia 2021 has navigated significant disruption and uncertainty before making our much-anticipated debut in Singapore this year. This was possible due in no small part to the strong support from our many like-minded partners from both the public and private spheres, with Singapore Land Authority's (SLA) and Singapore Tourism Board's (STB) support, in particular, proving instrumental in guiding the development of a world-leading hybrid platform for the geospatial and location intelligence markets in Asia. Equally important were our sponsors and other partners from across an array of industries, led by Platinum Sponsor Trimble, Gold Sponsor Bentley Systems, Silver Sponsor UP42, and Conference Sponsors Planet Labs, Synspective, and Dassault Systèmes."

"Geo Connect Asia 2021 has been a success, and will hopefully be the catalyst not only for the geospatial industry evolution across Southeast Asia, but also for the inevitable recovery of the resilient MICE industry. We really appreciate the support we have received from all parties in enabling the launch of Geo Connect Asia. We are looking forward to engaging with the industry over the next few weeks, both in terms of themes and content, as well as exploring the best format to enable face to face engagement."

Alvin Yap, exhibitor at Geo Connect Asia, Drone Lead of YJP Surveyor, said, "The event has shown our resilience in these tough times and represents our hope and optimism not only in the geospatial industry but also for Singapore and the region as well."

Conference Sponsor and exhibitor, Planet Labs at Geo Connect Asia, Janeth Fule, Field Marketing Manager, Asia Pacific said, "Congratulations to Montgomery Asia for organising the first large-scale hybrid event of the year in Singapore and making it a huge success. Working with their team has been a pleasure, and we hope to return for next year's iteration of Geo Connect Asia."

Geo Connect Asia will return next year on 23rd and 24th March 2022 as an even bigger affair, with more exhibitors and conference line-ups featuring some of the most prominent experts and professionals from across the global geospatial space. For the latest updates and announcements, visit www.GeoConnectAsia.com.

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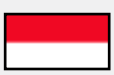

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MYANDE

PKC before extraction

After extraction
(oil residue less than 1%)

OILS & FATS
EQUIPMENT AND TECHNOLOGY

Palm Oil Mill, Palm Kernel Cake Extraction, Refinery & Fractionation, Oleochemical

Adhering to concept of energy-saving and environment-friendliness, Myande is committed to constructing advanced, intelligent and green plants.

Our experienced engineer team is ready to start your process optimization.

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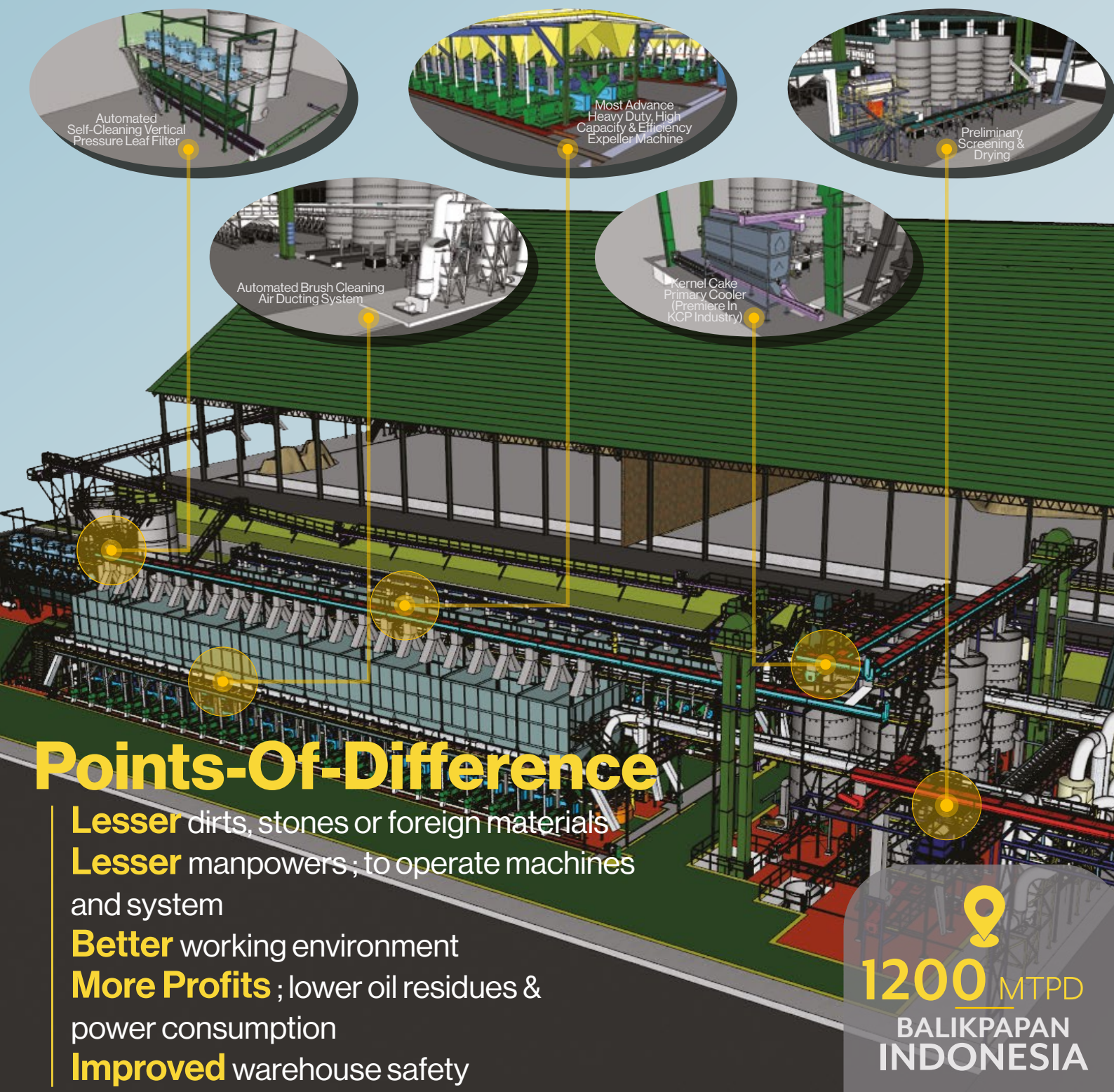

Points-Of-Difference

Lesser dirts, stones or foreign materials
Lesser manpowers ; to operate machines and system
Better working environment
More Profits ; lower oil residues & power consumption
Improved warehouse safety

1200 MTPD
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