

ASIA PALM OIL

PALM OIL INDUSTRY AND TECHNOLOGY NEWS

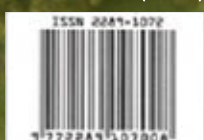
Central Asia and Africa
the Growth Areas for
Malaysia's Palm Oil
Producers

Palm Oil Extracted
From Vitamin E Useful
In Boosting Immune
Response

Blockchain
Technology Adds
Great Value to Palm
Oil Production

Live Interview Session:
Palm Oil's Future in
Southeast Asia

PP18791/04/2016 (034458)



RM 10/ USD 5



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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

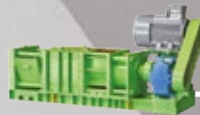
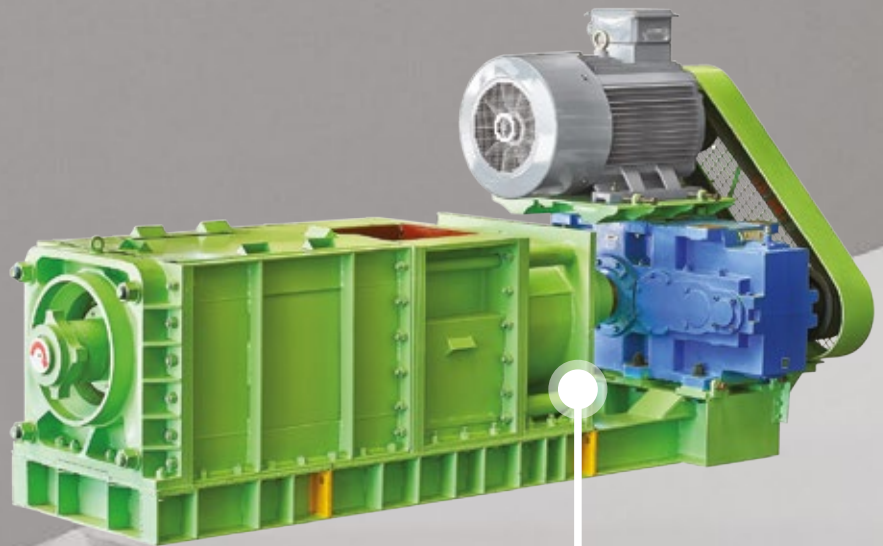
MOISTURE CONTENT

38%-45% (AFTER PRESS)

OIL CONTENT IN FIBRE

1.0%-1.5%

*ON SAMPLE (WET BASIS)



KH777



KH777-12



KH777-15

INTERCHANGEABLE

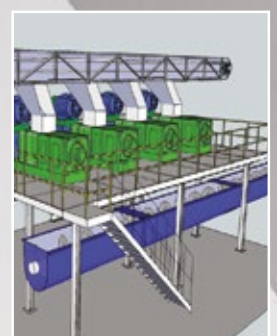
PRODUCT OVERVIEW

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.

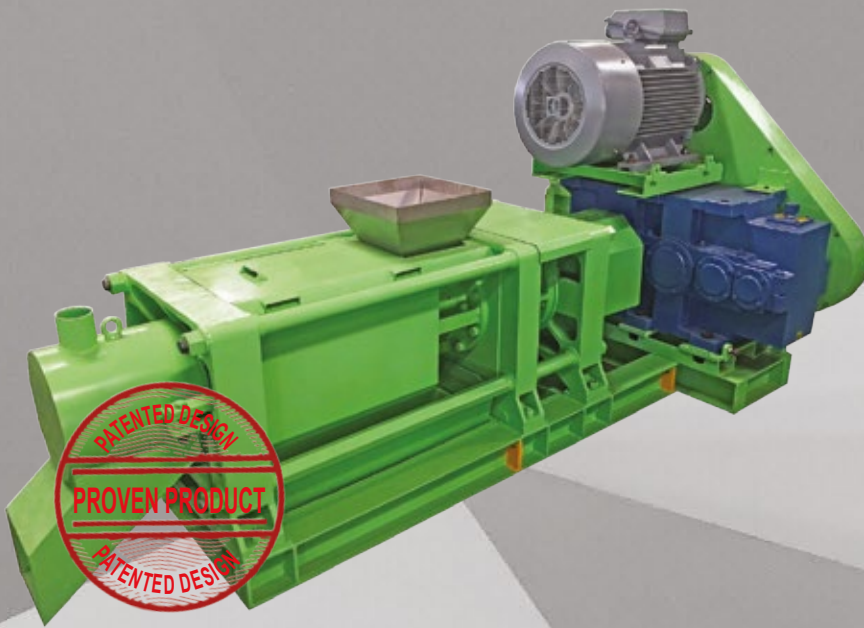
THE USES OF EFB FIBRE

- 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

CONVENTIONAL
KERNEL EXPELLER MACHINE



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



- 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.

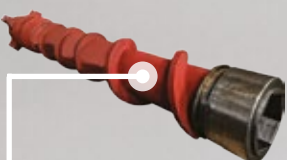


- ✓ REDUCTION OF SLUDGE IS ONE OF THE VITAL IMPROVEMENTS FROM THIS NEWLY LAUNCHED MACHINE DESIGN CONCEPT.
- ✓ HENCE, PROBLEM OF CLEARING SLUDGE AND OVERFLOW OF OIL FROM OIL PAN IS REDUCED.

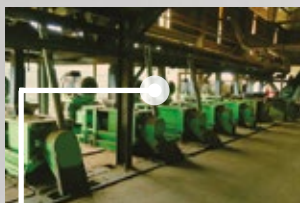


- HIGH PERCENTAGE OF SLUDGE FORMED WILL ACCUMULATE AT OIL PAN AND OBSTRUCT OIL FLOW.
- SO, MANPOWER IS NEEDED TO REMOVE THESE SLUDGE TO PREVENT OIL OVERFLOW.

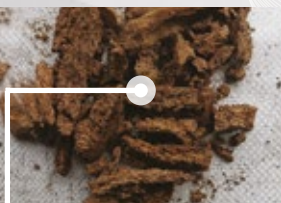
PHOTO GALLERY



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

THIS IS A BRAND NEW DESIGN FOR SHORTER DOWNTIME WITH EASE OF OPERATION AND MAINTENANCE.



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STAY CONNECTED WITH US



Happy New Year 2021 to all of our readers! May this year bring warmth, good health, and happiness to all of us. We received good news last year when the world has successfully developed and distributed the COVID-19 vaccine. Malaysia has already secured 12.8 million doses from the deal with Pfizer-BioNTech signed and together from participation in the global COVAX facility which is backed by the World Health Organization (WHO). We have also signed a deal to procure 6.4 million doses of AstraZeneca's COVID-19 vaccine and currently working on the vaccine development with the United Arab Emirates (UAE).

The end of last year has seen quite a few issues surrounding the palm oil industry with Brexit, the U.S decision to boycott palm oil products, and the rumors surrounding the palm plantation. However, the government is expected to earn a palm oil windfall profit levy of about RM500 million this year. With the current state that affected players in the industry especially smallholders, The National Association of Smallholders Malaysia (NASH) had urged the government to reintroduce the smallholder palm oil replanting assistance scheme which could help those in the sector. While Conditional Movement Control Order (CMCO) is still implemented in most states, let's be hopeful that the economy will revive and recover this year.

We have conducted a Live Interview Session titled Palm Oil's Future in Southeast Asia in conjunction with the World Palm Expo & Virtual 2020. Many thanks to our speakers Tan Sri Datuk Dr. Yusof Basiron,



Susan Tricia
Editor

the Executive Director of Council of Palm Oil Producing Countries (CPOPC) and Dato' Lee Yeow Chor, the Chief Executive of IOI Corporation Berhad and also the Chairman of the Malaysian Palm Oil Association (MPOA) for the enthralling discussion and knowledge sharing on the current issues in the palm oil industry across Southeast Asia. Flip on to read the interview in detail.

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 and together we can fight the COVID-19.



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CASE STUDY

Innovation that leads to unparalleled efficiency

TANER
VERTICAL
STERILIZER
SYSTEM PATENTED

installation work
in progress



PROJECT

- To retrofit a 38-year-old 60TPH mill constructed in Year 1979

SCOPE OF WORK

- FFB and SFB handling system
- Taner Vertical Sterilizer (VS) system
- 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
- ✓ Automation enabled
- ✓ Enhanced work safety
- ✓ Industrial 4.0 ready

NEXT!

Higher Efficiency

— with —
Oil in condensate
recovery system



(ACCS)
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Clarification System

- Condensate with oil loss in underflow <1% to sample
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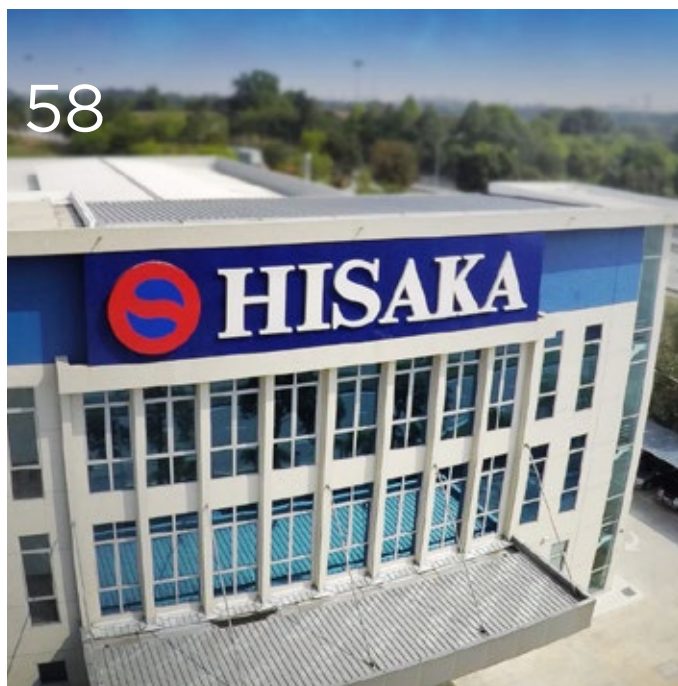
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Sime Darby Plantation 3Q Net Profit at RM190m as Upstream Segment Lifts

Sime Darby Plantation Bhd (SDP) posted a net profit of RM190 million for the third quarter ended Sept 30, 2020 compared to a net loss of RM243 million a year earlier, driven by higher crude palm oil (CPO) and palm kernel (PK) prices realised.

In a bourse filing today, the planter said revenue for the quarter rose 13% to RM3.18 billion from RM2.82 billion previously.

Earnings per share was 2.8 sen versus loss per share of 3.5 sen earlier.

For the nine months ended Sept 30, SDP said net profit surged to RM1.04 billion from a net loss RM142 million a year ago, on the back of a 9% increase in revenue to RM9.44 billion against RM8.69 billion.

Reviewing its performance, SDP said the improvement in the recurring profit in the quarter under review was primarily attributed to the upstream segment.

The group said it also reported lower non-recurring loss before interest and tax than the corresponding quarter, mainly due to lower impairment charges recognised.

In a separate statement, SDP chairman Tan Sri Megat Najmuddin Megat Khas said for the rest of the financial year, the group will remain focused on delivering value to stakeholders as it navigates through the current challenging environment.

“We will continue to prioritise the health and safety of our stakeholders, the job security of our employees, our commitment to sustainable practices, protection of human rights as well as our R&D and innovation initiatives.”

Meanwhile, group managing director Mohamad Helmy Othman Basha said despite the challenges posed by the pandemic on global markets, CPO prices continue to be supported in the second half of the year, whilst palm oil demand has improved and is expected to grow further in 2021.

He said as a sector that provides essential products to the world, this industry is showing resilience amid global uncertainties.

Mohamad Helmy urged unemployed Malaysians to seize the job opportunities available in the palm oil industry at present.

“As a measure to further mitigate the industry’s current labour shortage, we also hope the government will continue with its efforts to alleviate restrictions on foreign labour, whilst the group continues to ramp up mechanisation and digitalisation efforts to increase productivity and reduce reliance on labour in the medium to long term,” he said.

SDP said it expects its performance for the financial year ending Dec 31, 2020 to be better than last year. SDP shares were last traded at RM5.17, for a market capitalisation of RM35.59 billion.



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Felda to Take Full Control of Crude Palm Oil Plantation Giant FGV

Malaysia's state-owned Federal Land Development Authority (Felda) said it agreed on a deal that will see it increase its stake in palm giant FGV Holdings, with the view to taking full control of the world's largest crude palm oil producer.

Maybank Investment Bank, in a statement on behalf of Felda, said the company will acquire a 13.88 per cent equity interest held by two state-linked agencies - pension fund Retirement Fund Incorporated (KWAP) and investment holding company Urusharta Jamaah- for a total of RM658 million (\$216 million) in cash.

Felda also proposed a mandatory takeover offer for the remaining FGV shares not already owned by Felda after completion of the equity deal.

Felda is the largest shareholder of FGV Holdings, but FGV has so far remained independent in its governance. Bottom of Form

The acquisition will allow Felda to "obtain statutory control of FGV", and strengthen Felda's ability to control FGV's plantations, its downstream operations and its subsidiaries, the statement said.

"The proposed acquisition is expected to contribute positively to the future earnings of Felda," it said.



A government inquiry in response to graft allegations last year found that poor management had sent the Felda's losses and debt soaring over the past decade.

The government in October approved Felda to issue a RM9.9 billion sukuk with a government guarantee to finance its restructuring plans.

Felda is also expected to terminate a land lease agreement with FGV.

FGV suspended its shares from trading at 4.15 pm (0815 GMT) local time pending a "material announcement" and last traded at RM1.27 per share.

FGV said in a filing to the exchange that it had received a letter of notification from Felda and that trading of its shares will resume.

NATRUE Updates Standard for 2021 to Make Certification Clearer For Consumers

The natural and organic standards body is removing its 'natural with organic portion' level of finished product certification from January next year



The NATRUE standard for natural and organic cosmetics and cosmetic raw materials has announced updates for 2021.

Coming into effect 1 January, new criteria will involve a simplification of NATRUE's certification levels, among other changes.

To make things more digestible for consumers, NATRUE is streamlining its three certification levels to two: natural or organic. In line with this, the body has also adapted formulation requirements.

New finished products will be certified as either 'natural' or 'organic', while products certified under the soon to be phased out 'natural with organic portion' can still be identified as such until the product's certification expires.

NATRUE has also stressed the importance of providing clearer labelling and claims for consumers to avoid misleading them and has revised its Label Usage Guidelines for using the NATRUE label on certified products.

Palm oil & raw materials update

Moreover, as a new member of the Round Table for Sustainable Palm Oil (RSPO), NATRUE now requires that, where possible,

natural or derived natural substances from palm oil and palm kernel oil come from RSPO or other certified sustainable supply chains.

Here, as outlined in Annex 3 of the standard, 'Mass Balance' quality is the minimum requirement, while 'Segregated' and 'Identity Preserved' options are preferred, says NATRUE, and only certified organic palm oil is an exception to the RSPO certification requirement under NATRUE criteria.

NATRUE's new approval scheme for raw materials was launched last February and, since then, more than 170 raw materials have been NATRUE-approved.

In its 2021 updates, NATRUE stressed that all raw materials presently used in NATRUE-certified products will have a transitional period of 24 months (until 31 January 2022) to be either certified or approved.

As for finished products, producers have until 31 January 2024 to formulate their products using NATRUE-approved or NATRUE-certified raw materials.



FGV Responds to Associated Press Article



FGV Bhd stated that it takes the allegations laid out in the Associated Press (AP) article headlined “Rape, abuses in palm oil fields linked to top beauty brands” published on Nov 18 as a matter of serious concern.

It said it views the alleged findings as a matter of serious concern, as they do not only constitute gross human rights violations but are also criminal in nature.

“Should these allegations be true, perpetrators must be found and be brought to justice. FGV does not tolerate any form of violence, harassment or abuse, be it sexual, physical, verbal or psychological,” the group said in a statement.

It iterated that every person should be treated with respect and dignity, a position which is reflected in its policies and operating procedures.

It pointed out that in FGV’s upstream operations, women make up an estimated 10% of its workforce and it attaches great importance to protecting and safeguarding their rights and wellbeing.

In addition, the group pointed out that it does not practice discrimination, as female workers are offered the same terms of employment, benefits and entitlements as male workers along with equal pay for equal work.

It also adheres to Malaysia’s Minimum Wage Order 2020 which applies to all workers. Furthermore, it said that it does not compromise on its workers’ health and safety regardless of gender.

“The work carried out by our female workers are confined to gathering loose fruits, weeding, manuring, pruning, office and hostel cleaning, and general work which may include assisting in clerical tasks.

“We require our workers handling chemicals, pesticides and fertilisers to strictly adhere to SOPs on safety and health, including the mandatory use of personal protective equipment, which are provided by FGV. We prohibit pregnant and breastfeeding women from handling chemicals, pesticides and fertilisers,” it said.

The group also said it provides medical benefits, which covers annual expenses for outpatient care and an unlimited allocation for inpatient treatment.

In regards to the AP article, which made reference to the group’s relationship with Felda, it clarified that although Felda is the majority shareholder of the group, FGV’s governance and management remain independent where FGV has direct control over its operations.

The group reiterates its full commitment to respecting human rights and upholding labour standards.

“We view very seriously the findings of the United States Customs and Border Protection which led to its issuance of the Withhold Release Order on FGV’s palm oil and palm oil product, and will continue to intensify our efforts towards enhancing our labour practices and to addressing any remaining gaps.”



MPOB Develops New Oil Palm Clone, CPS3 for Higher Yield

The Malaysia Palm Oil Board's (MPOB) collaboration with a plantation company, Kulim (Malaysia) Bhd has successfully produced the latest oil palm planting material, known as Clonal Palm Series 3 (CPS3). According to the MPOB, CPS3 is a quality palm oil clone capable of increasing productivity and higher yields of fresh fruit bunches (FFB).

"CPS3 is among the series of planting materials developed by MPOB offered for commercial cultivation by estates and smallholders," it said in a statement today, adding that the technology was unveiled during MPOB's Transfer of Technology Seminar and Exhibition 2020 in July.

Its head of research team, Siti Rahmah Abdul Rahman said the CPS3 planting material planted at a Kulim (Malaysia) Bhd estate has recorded higher productivity of FFB and oil yield per hectare than the conventional dura and pisifera (DxP) hybrid material. The CPS3 clonal material delivers high productivity by maximising yield per hectare.

"The CPS3 clone, which is planted in a density of 136 palms per hectare, produces 37.5 per cent oil per bunch (O/B) with 221.7 kilograms (kg) of FFB per palm within a year. The ratio of O/B and FFB of CPS3 clones are 21.8 per cent and 7.6 per cent, respectively, higher than commercially grown DxP in Malaysia," according to Siti Rahmah.

She said the characteristics of CPS3 fits the ideal combination of producing approximately 15 bunches a year and weighing 15kg as recommended by oil palm breeders. Besides, the CPS3 clone has managed to produce 11.3 tonnes of oil per hectare per year compared with 8.6 tonnes per hectare per year for the best DxP hybrid, she said.

Siti Rahmah added that CPS3 superior clonal planting material is ready for commercialisation by oil palm plantations and for seed producers to propagate clonal breeds in their respective tissue culture laboratories.

Source: www.bernama.com

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Cargill Engages US Customers with Roundtable for Sustainable Palm Oil Certified Supplies

Cargill has moved to enhance its environmental policies in becoming one of a small number of large-scale US suppliers of segregated palm oil certified by the Roundtable for Sustainable Palm Oil (RSPO), writes Neill Barston

As the company revealed, its latest initiative starts next month, with all its supplies from its Charlotte, North Carolina refinery will be solely dedicated to providing the sustainably sourced product.

The venture adds to its recent report this summer detailing progress on another significant goal in terms of its palm oil sourcing from Asia, which targeted the elimination of deforestation with its supply chain by the end of 2020.

“Palm oil plays a critical role in feeding and supporting millions, as it is the world’s most widely used vegetable oil,” said Reid Kinde, North American commercial leader for Cargill’s global edible oils business. “With growing numbers of brands pledging to source palm oil responsibly, we are now positioned to supply North American food manufacturers with sufficient quantities of segregated RSPO-certified product to meet their sustainability commitments.”

The expanded supply means consumers may soon see the sustainable palm oil used in many of their favourite foods, including bakery, snacks, confectionery and dairy, as well as popular non-dairy creamers.

Segregated certified palm oil must be produced according to the principles and criteria established by the RSPO, which verifies that forests are protected, and social and environmental safeguards are met during the oil’s production and harvest. To carry the segregated RSPO designation, all product must be kept separate from commodity palm oil supplies and be traceable

throughout the supply chain. It is produced on RSPO-certified sustainable palm oil plantations, refined at RSPO-certified facilities and ultimately used by a RSPO-certified manufacturer.

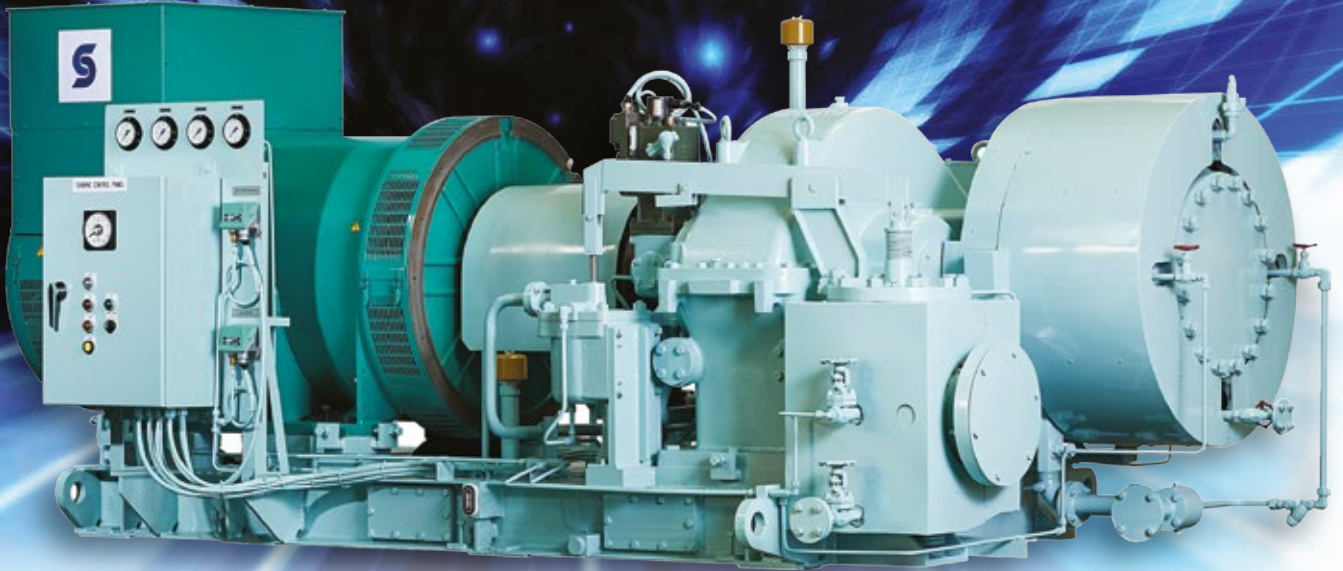
Cargill has been supplying RSPO-certified palm oil since 2005, now reaching customers in Europe, Mexico, Australia and Malaysia. However, this expansion of its supply chain further leverages Cargill’s global footprint and reflects growing demand for ethically sourced palm oil. In September, RSPO reported sales of certified palm oil increased by 13% globally in 2019 alone.

Previously, Cargill offered its North American customers mass-balanced sustainable palm oil. With the new segregated sustainable palm oil offering, manufacturers are assured that the palm oil they purchase and utilise comes only from RSPO-certified sustainable sources.

Cargill’s move to ramp up RSPO-certified palm oil comes as the company nears its goal of providing traceability to all palm plantations in high-risk landscapes and marks an important milestone in advancing its progress and action plan on sustainable palm oil production. Its plan details the company’s commitment to transparent sourcing practices, engaged suppliers, and rigorous monitoring and verification practices.

“More than ever, brands and consumers care about the standards behind the products they buy,” said Kinde. “People want assurance that the raw materials used are sourced in a sustainable, environmentally conscious way. By significantly increasing the supply of segregated certified-sustainable palm oil, we’re giving our customers and consumers confidence in our sourcing practices and reaffirming our commitment to supporting sustainable practices throughout our operations.”

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Empty Fruit Bunch Press



Palm Kernel Oil Machine



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Palm Oil Board Hails Move to Legalise Migrant Workers



The oil palm industry is suffering an acute labour shortage and production numbers have fallen as a result.

The Malaysian Palm Oil Board (MPOB) has welcomed the move to regularise undocumented migrant workers, saying it will help solve the sector's persistent labour shortage. "If they go through the proper channels and are legalised and utilised to work for the industry, I think it's a good move," MPOB director-general Ahmad Parveez Ghulam Kadir told FMT. "It will help the industry as it is in dire need of workers."

"If we know their number we can monitor them. Since they are already here, we can train them straight away and get them to work. "I think it will also help the government increase its revenue because we can harvest to the maximum if we have extra hands."

Ahmad said the industry was short of about 40,000 workers and production numbers had fallen as a result.

MPOB previously said the country's palm oil stockpile fell 8.6% month-on-month to 1.57 million tonnes in October, the lowest since June 2017. October's production also contracted 7.8% month-on-month to 1.72 million tonnes, the lowest since May.

In July, Malaysian Palm Oil Association CEO Mohamad Nageeb Wahab said the industry had lost up to 25% of its potential palm oil yield because of labour shortage.

He warned that losses would increase if the government's freeze on foreign labour recruitment was not lifted, adding that the country was already short of about 36,000 workers before the COVID-19 pandemic. The home ministry announced on Thursday it would run the Illegal Immigrant Recalibration Plan from Nov 16 to June 30 next year.

National Union of Plantation Workers executive secretary A Navamukundan, however, warned that it would not be easy to absorb the newly normalised workers into the plantation sector.

He said the cutting of fruit, for example, was not something everyone could do. "There is a lot of skill and experience involved," he told FMT.

Referring to liaisons between employer, employee and third party vendors, he said the government must first make sure that "triangular employment relationships" are brought to an end. "That is where violations of human rights and infringements of labour rights are taking place, and we are being bashed internationally for it," he said.

When announcing the regularisation plan, Home Affairs minister Hamzah Zainudin promised that it would be implemented by the Immigration Department and the Department of Labour of Peninsular Malaysia and other government agencies without the involvement of third parties and vendors.

Hamzah said the government was expected to earn about RM95 million from compounds and other charges imposed on the migrants and employers, a figure which the Malaysian Trades Union Congress (MTUC) questioned.

"MTUC wishes to have a discussion to know how the government arrived at the RM95 million sum," its deputy president, Mohd Effendy Abdul Ghani, told FMT. "We also want to know if the cost of legalising undocumented migrant workers will be kept to the minimum to attract them and not to frighten them off.

"We request that the government strengthen internal mechanisms to curb corrupt practices." Effendy alleged that Malaysia had a track record of coming up with too many ad hoc policies and that most had served migrant workers badly.

He said several of the programmes had fallen flat due to "serious weaknesses" in their implementation. "We do not wish to see another programme through which certain quarters make huge amounts of money at the expense of migrant workers," he added.



MPOA Cautions Kraft Heinz against Using 'No Palm Oil' Claim

Malaysian Palm Oil Association (MPOA) has lodged a formal complaint and demands that Kraft Heinz stop using the “No Palm Oil” claim which goes against the spirit of the Roundtable of Sustainable Palm Oil (RSPO)’s Shared Responsibility pledge.

“A failure to reverse this violation of the RSPO Member’s Code of Conduct should result in expulsion of Kraft from the RSPO,” MPOA’s chief executive, Datuk Mohamad Nageeb Wahab said.

He was referring to Kraft’s recent ‘Kraft Hazelnut Spread: Can’t Handle it’ advertisement.

In this context, MPOA finds it unbecoming and unethical that a member of the RSPO has repeatedly either intentionally or unintentionally chosen to violate the RSPO’s code of conduct through its recent advertisement with “no palm oil” labelling without even offering the choice to use sustainable palm oil.

“The action and stand by Kraft insinuates that the shared objectives of all RSPO members, namely, to promote the production of and use/uptake of sustainable palm oil is

secondary and that they do not wish to join the common objectives of promoting sustainably produced palm oil.

“The growers look at this as first class hypocrisy and if this continues we see no reason to be an RSPO member,” Mohamad Nageeb said.

He said the RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO).

“When they are properly applied, these criteria can help to minimise the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.”

The RSPO has more than 4,000 members worldwide who represent all links along the palm oil supply chain. They have committed to produce, source and/or use sustainable palm oil certified by the RSPO.

Palm Oil Industry Adapting to New Norm, Business Model Despite COVID-19 — MPOB



The palm oil industry seems to have quickly adapted to the new norm and new business model driven by the COVID-19 scenario after experiencing a slowdown in exports and prices in the first quarter of 2020 due to the pandemic.

Malaysian Palm Oil Board (MPOB) director-general (DG) Dr Ahmad Parveez Ghulam Kadir said the easing of the COVID-19-induced lockdowns in most countries and the resumption of economic activities would translate into more demand for palm oil.

“Hence, this would give more opportunities for palm oil to recover from the impact of the pandemic,” he said in a keynote address titled “Overview of the Malaysian Palm Oil Industry during the Pandemic and the Route to Recovery” at World Palm Oil Virtual Expo.

Updating on the current situation of the palm oil sector for this year, he said the plantation sector seems to adapt to the new norm of working conditions, despite the border closure which affects foreign labour from entering into the country.

Additionally, crude palm oil (CPO) production from April to October 2020 has increased by 3.5% to 12.45 million tonnes

year-on-year (y-o-y), showing that the movement control order (MCO) implementation arising from the COVID-19 pandemic has not had a significant impact on CPO production, he said.

The stock situation in 2020 for the period of January to October is better compared to the previous year with the average monthly stocks at 1.79 million tonnes.

“After the implementation of the MCO, the stock is slightly higher but reduced to 1.70 million tonnes (lower in July 2020) due to the CPO export duty exemption given under the National Economic Recovery Plan (Penjana) initiative,” Dr Ahmad Parveez said.

Meanwhile, palm oil export during January to May 2020 was partly affected by weaker global demand due to lockdowns imposed in most importing countries, and lower production.

Hence, Malaysian palm oil export was down by 23.9% to 6.09 million tonnes y-o-y.

He said from June onwards, palm oil export recovered due to the resumption of economic activities in most countries, coupled with the CPO export duty exemption.

Palm oil export during the June to October 2020 period was higher by 37.3% to 8.35 million tonnes from 6.09 million tonnes during January to May 2020, he said.

Dr Ahmad Parveez added that as the caretakers of the Malaysian palm oil industry, the Ministry of Primary Industries and Commodities, the MPOB, and other related agencies and councils will continue to work hand-in-hand with the palm oil industry players to strengthen the fundamentals of the industry in facing the ongoing challenges for the sustenance of the palm oil industry.

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SOPPOA Celebrates 12th-Year Milestone



SOPPOA makes a courtesy visit to the Chief Minister's office in 2017 with Chief Minister Datuk Patinggi Abang Johari Tun Openg.

Since the formation of Sarawak Oil Palm Plantation Owners Association (SOPPOA), 12 years ago on December 11, 2008, the association has grown and transformed into a premier plantation organisation in Sarawak as well as in Malaysia

It is now widely regarded as one of the key body spearheading the development of the palm oil sector in Sarawak.

In Sarawak, it has 99 registered memberships comprising of the majority of plantation companies of various sizes, including government agencies and independent small holders.

SOPPOA's members spans over the whole of Sarawak covering almost 1.02 million hectares of oil palm, 58 mills, four refineries, one biodiesel plant.

The capital outlay and current value of member companies runs into just over a RM100 billion which covers the upstream, midstream and downstream activities of the industry and also ranks second in jobs creation after the government sector in Sarawak.

Palm oil plantations in Sarawak produce 4.24 million metric tonnes of crude palm oil and generate an income of RM 8.9 billion for year 2019 of which with a return of 55.2 per cent to the government in the form of taxes and levies over the gross PBIT, making it a reliable government revenue provider despite of global financial and economic crisis over the years.



The constitutional structure of SOPPOA comprises a fully elected executive council with strong stewardships starting from Datuk Amar Abdul Hamed Sepawi, chairman of Ta Ann Group of Companies as its inaugural chairman to current chairman, Tiong Chiong Ong, an executive director of Rimbunan Sawit.

The council is run by a secretariat team by a professional chief executive officer with sound knowledge of the plantation industry.

SOPPOA secretariat is also supported by five heads of committees overseeing government affairs, human resources, research & development, sustainability and media/communication and two senior advisors and a chartered accountant consultant firm.



SOPPOA and MPOB research and development seminar in Miri.

SOPPOA fully supports the government's policy in sustainable oil palm development and has achieved a credible 94 per cent Malaysian Sustainable Palm Oil or MSPO certification as well as attaining 62 entities of Supply Chain Certification Standards or SCCS is a clear indication of its full commitment to protect humanity and the environment in its sustainable business undertakings.

SOPPOA strongly upholds the value of "No Deforestation, No new Peat plantings and No Exploitation of its employees" or NDPE and advise members to be duly practicing at all times.

SOPPOA biggest challenge today is the set-backs posed by the current COVID-19 pandemic and the economic meltdown that follows which has limited operations and normal production.

The plantation sector, being an essential service, still continues to operate to keep the country's food security stable by supplying the much-needed food and non-food products derived from palm oil as well as exports.



The industry also plays a vital role in providing much needed plantation jobs to the public. SOPPOA appreciates and extend its gratitude to Sarawak Disaster Management Committee (SDMC) and National Security Council (MKN) for allowing plantation companies to continue operating under strict SOP.

The move to self-lockdown by SOPPOA with strict in-house SOPs apart from the government's SOPs played an important role to prevent the spread of COVID-19 and has proven effective so far.

In time of need and national service, as part of CSR, SOPPOA also took the initiative to raise RM530,000 for SDMC to assist in the fight against COVID-19 and help the poor and needy through the generosity of its members.

SOPPOA has played an important role and pledges it will continue to work closely with all related government agencies to support government policies by providing feedbacks, proposals, fiscal planning and development.

In Sarawak, SOPPOA is considered the backbone of the state agricultural sector especially for agro-commodity activities. It works in solidarity and tandem with the government by regularly and actively participating as stakeholder with various state agencies, notably MANRED, TROPI, DOA, NRED MUDeNR, SEAC and others to support, give inputs, chart out or formulate, proposals, strategies to synergise government policies, planning and implementation.

On the federal government level, much engagement has been carried with the federal ministry's agencies by representing Sarawak oil palm plantations in all matters affecting the plantations by sitting in important making decision steering committees or as stakeholder invitation with MPOB, MPOC, MPOCC, MOHR, DOE, KDN, MIDA, MITI and others.



SOPPOA makes a donation to SDMC.

Matters relating to policies, licensing, marketing, promoting, certification & compliances, trainings, research & development, funding, commercialisation of projects, mechanisation & automation, strategic and fiscal planning and forefront wise resolving SOPPOA members issues.

SOPPOA plays a key role in conveying and showcasing Sarawak's plantations' issues, concerns and provide solutions.

Periodically the association also makes press releases to voice the industry's opinions and provide facts to highlight and protect the interests of its members and address pertinent issues including constructive recommendations in line with the ultimate aim to advance the Sarawak palm oil industry in a sustainable manner.

SOPPOA works in close partnership with other plantation associations such as MPOA, EMPA, POMA, PORAM, MEOA, NASH, SALCRA and DOPPA and other stakeholders on a win-win approach with regards to the betterment and advancement of the plantation industry.

SOPPOA is also a council member and plays a part in the well-recognised Sarawak Business Federation which represents more than 80 per cent of the business community in Sarawak.

SOPPOA members collaborate with TROPI, MPOB, DOA, MPC on R&D works on issues of low yields, P&D, peat soils, pollination, palm nutrition, mechanisation, other digital technologies to enhance the yields and resolve these issues apart from ongoing other negotiations and collaboration with local universities and institute of higher learning to pursuit technology and knowledge advancements.

Seminars, forums and trainings were also held to update members on R&D advancements and commercial applications.

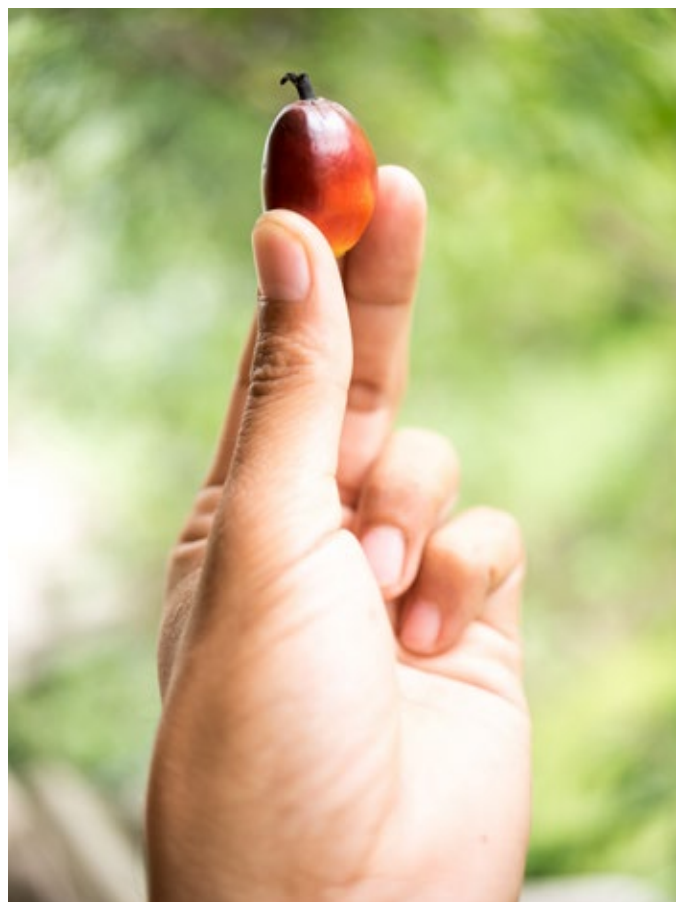
The association regularly engages with related Federal Ministers, Chief Ministers and Deputy Chief Ministers to highlight unresolved issues with government agencies by giving proposals with valid justifications or working papers which bring benefits the government, the plantation operators and the public.

In some cases, such legislative matters on SOPPOA appeals were even brought to a sitting Parliament by the ministers to be debated about and resolved, which is greatly appreciated.

The well-being of the plantation industry and its interests are actively pursued and advanced by SOPPOA which is thriving and gaining momentum with more new members joining the fold to support this association in its mission to ensure continued growth and success of the industry.

SOPPOA's upcoming 12th-year anniversary augurs well for its members with the rising crop production and favourable CPO prices of RM3,000 to RM3,300 per metric ton even amidst a pandemic.

It is also worth noting that the pandemic is still well under control in Sarawak, under the purview of SDMC.



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MIDA Encourages Palm Oil Industry Players to Apply For Industry4wrdr DISF

The Malaysian Investment Development Authority (MIDA) is encouraging the Malaysian palm oil industry to apply for the Industry4WRD Domestic Investment Strategic Fund (DISF).

Executive director of manufacturing development (resource) Mohamad Ismail Abu Bakar said MIDA is committed to assist the companies, especially in the downstream value chain.

“Some of the areas that we are targeting are oleochemicals, food-based products such as cooking oil, and phytonutrients, which can be made into supplements,” he said during a briefing on the incentives and grants available for the Malaysian palm oil industry held virtually today.

It was organised by the Palm Oil Refiners Association of Malaysia (PORAM).

Industry4WRD DISF has been introduced in Budget 2019 to assist companies that have undergone the Industry4WRD Readiness Assessment programme to migrate to Industry Revolution 4.0 (IR4.0).

The assessment is to assess their capabilities and readiness in IR4.0 technologies.

“The company must adopt at least one of the IR4.0 technology pillars such as cloud computing, big data analytics and artificial intelligence,” he said, adding that 40% of the grant will be borne by the company and the rest will be subsidised by the government.

Mohamad Ismail said the grants are for research and development activities, training, as well as obtaining international standards and certifications.

He added that companies must also have a Malaysian equity ownership of at least 60% to be eligible.

The companies can submit their applications until Dec 31, 2021, he said.



Malaysian
Palm Oil
Association

UK Should Open Market Wider for Malaysian Palm Oil - MPOA

The Malaysian Palm Oil Association (MPOA) wants the United Kingdom (UK) to open its market wider for Malaysian palm oil.

Chairman Datuk Lee Yeow Chor said Malaysia has a good system to comply with the various environmental protection laws, labour rights and workplace safety, which are important criteria to penetrate into the UK market.

“We can use this practice to promote our sustainability criteria on the aspect of palm oil production and believe that it would be a good platform for us,” he said.

He was speaking at a live interview session titled “Palm Oil’s Future in Southeast Asia” organised by Asia Palm Oil Magazine in conjunction with the World Palm Oil Virtual Expo 2020.

Asked whether Brexit is considered an opportunity for Malaysian palm oil as now the UK can draw their own rules, Lee said the UK is now free to regulate from their own perspective in trade.

He said the country should have a more global outlook instead of a Eurocentric outlook after leaving the European Union (EU) on Jan 21 this year.

Responding to the same question, the Council of Palm Oil Producing Countries (CPOPC) executive director, Tan Sri Yusof Basiron, said if Brexit happens with a deal, the EU will impose more alignment in regulation for the UK to conduct their trade relations.

“But if the UK exits with no deal, then this is an open option for the country to negotiate with suppliers like palm oil-producing countries; and in this way, the opportunity is still open as palm oil will continue to access the UK market regularly without too many trade barriers being imposed, which tend to happen in the EU for now,” he said.

Yusof said it is up to palm oil-producing countries to negotiate in the coming months or in the near term to ensure palm oil continues to enjoy market access in the UK.

“Palm oil in the UK is not sufficient for their daily consumption and biofuel requirements, and therefore, they have regularly imported about half of million tonnes per year, so this is opportunity for us,” he added.

Postpone MPOB Cess Order 2020, MEOA urges



The Malaysian Estate Owners' Association (MEOA) has appealed for the Malaysian Palm Oil Board (MPOB) Cess Order 2020 to be postponed to a later date, from its current Jan 1, 2021 implementation date.

In a statement, MEOA said the proposal to levy this additional cess should be open for further dialogue with oil palm growers first.

A deferment of the implementation, it said, would give relevant stakeholders an additional opportunity to participate in inclusive engagement with the Ministry of Plantation Industries and Commodities and MPOB over the proposal.

"It is widely understood from previous engagements with the MPOB, and from the MPOB's circulars for public comments, that the funds are intended to be used for mechanisation and automation in the industry," MEOA noted.

The new cess order stipulates the payment of an additional RM5 per tonne for crude palm oil (CPO) and crude palm kernel oil (CPKO) produced, raising the amount to be paid to RM19 per tonne, from RM14 currently.

MEOA calculated that for every RM1 per tonne levied on CPO and CPKO, RM22 million in cess payments would be collected per year. It estimated that an additional RM110 million will be collected when the new order takes place over the one-off plan of one year.

"In earlier stakeholder engagements, there were proposals that the Malaysian government would accord a matching grant to the mechanisation initiative at the ratio of 1:1. This was [meant] to be in line with the spirit to promote partnership between the government and private sector.





“However, in the recent Budget 2021 announcement, the government revealed that only RM30 millions of matching grants had been budgeted to encourage ‘investments’ in M&A (mergers and acquisitions). Thus, the matching ratio would work out to be 0.27:1,” it noted.

At the current level of RM14 per tonne, total cess collection is now more than RM300 million per year, most of which is being channelled into research and development (R&D) and M&A.

“The MEOA acknowledges that M&A should be R&D’s key focus and top priority going forward, to address the high labour dependency in the plantation sector. However, the governing agencies must advocate and exercise inclusivity, and provide better clarity of how the cess funds will be used for the purposes of M&A.

“The MEOA said until and unless the MPIC and its agency MPOB can provide assurance and accountability to the contributing growers over how the funds will be used and accounted for, it may lead to sending a wrong signal or cause an incorrect perception that the contributors are subjected continually to more and more taxation, without any say over how their contributions are spent, and without assurance that their contributions are spent on R&D actually useful to the industry’s requirements and needs.

“In short, a lack of engagement will reinforce the impression among growers that hurting ‘the goose that lays the golden egg’ is of little importance to the authority stakeholders,” it said.

The MPOB is welcoming public feedback on the Cess Order from Nov 20 to 30. The draft order can be viewed on its website.

Refiners voice opposition to proposed hike

Meanwhile, the Palm Oil Refiners Association of Malaysia (PORAM) has also voiced its opposition to the proposal.

“There is already a current rate of RM14 per tonne imposed. If implemented, making a total of RM19 per tonne, albeit for only a year, it will have far reaching consequences resulting in Malaysian refined palm oil products being rendered uncompetitive in the international market, as the additional cost in cess collection will be passed on to the refining industry.

“In addition, the palm oil industry has already been saddled over the years by a high corporate tax, windfall tax and sales tax imposed by the respective state governments of Sabah and Sarawak.

“As it is, we are already losing market share in refined palm oil products to Indonesia, due to their favourable export duty structure. We fear the proposed additional increase in cess will further compound the problem,” PORAM said.





Government Expected to Earn Palm Oil Windfall Profit Levy of RM500m in 2021 — MPOB

The government is expected to earn palm oil windfall profit levy of about RM500 million in 2021 if the price of crude palm oil (CPO) recorded is between RM3,000 and RM3,500 per tonne compared to expectations of RM348 million a year for this year.

Malaysian Palm Oil Board (MPOB) chairman Datuk Ahmad Jazlan Yaakub said the revenue collection is not impossible if the CPO price remains above the RM3,000 per tonne level.

“The expected revenue of RM348 million for this year is an estimate based on increased CPO prices since June.



Hunting for yield in a low interest rate environment

It has been more than a week since the 2020 US presidential election has been called, and although the results have yet to be officially certified by the electoral college.

“We hope that with production and demand, as well as good weather conditions, it is not impossible that it (the windfall profit levy) can reach about RM500 million next year while the country faces economic challenges,” he told at a press conference. In 2019, the windfall profit levy revenue amounted to RM256,000.

Ahmad Jazlan said India is projected to continue importing crude palm oil from Malaysia next year with a double-digit growth. This is driven by India’s reduction of customs duty on crude palm oil to 27.5% from 37.5% on Nov 27, 2020.

For the period of January to October 2020, palm oil exports to India amounted to 1.97 million tonnes valued at RM5.15 billion.

Since June 2020, demand from India began to increase due to activities to increase stocks in the country and demand is beginning to recover following the relaxation of lockdown measures and gradual economic recovery. On the MPOB Cess Order 2020, scheduled to take effect on Jan 1, 2021, he said the matter is still in the study and discussion stage.

“We decided to impose the Cess Order at the appropriate time, for example, when palm oil is at its highest level over the past eight years.

“The cess collected (RM5 one-off) will be returned for the sustainability of the palm oil industry and for the commodity to remain competitive, not for MPOB savings,” he said.

Ahmad Jazlan said the revenue collected from the cess is actually not enough for the MPOB’s operations as a whole as it needs to be distributed to the Malaysian Palm Oil Council (MPOC), which is a separate entity that conducts palm-related activities and campaigns.

The MPOB Cess Order 2020 sets an additional payment of RM5 cess per tonne of CPO and crude palm kernel oil (CPKO) produced, compared with the current total amount of RM14 cess per tonne of CPO produced.

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).

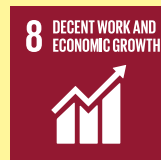
The MSPO Scheme sets stringent guidelines for the establishment of implementation and best operational and agricultural practices that ensures sustainable production of Malaysian palm oil for the world.

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

**MALAYSIAN SUSTAINABLE PALM OIL
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Blockchain Technology Adds Great Value to Palm Oil Production

Palm oil industrial players should keep an open mind and explore today's latest technology, namely the blockchain technology that can offer great value to and differentiate Malaysia's palm oil production as sustainable and credible.

"The application of blockchain technology in the Malaysian palm oil industry not only provides an unprecedented level of trust in the supply chain, but also contributes to protecting the working conditions and legal employment of field workers and gives plantations rich data on crop harvesting," managing partner of Lardi & Partner Consulting GmbH, Strategy and Business Advisory, Kamales Lardi said.

She was one of the panellists at the recent International Palm Oil Sustainability Conference (IPOSC 2020) hosted by the Malaysian Palm Oil Council (MPOC). Kamales said that among the key benefits of blockchain (a ledger that is digital, open and shared) are the real-time traceability of palm oil from plant to plate, cost and effort reduction for sustainability tracking and certification process and improved workers conditions and plantation management.



The palm oil and palm oil products are controversial in the EU from a sustainability perspective (deforestation and biodiversity impact), social and climate impacts. — Reuters pic

It can also provide crop management data, digital inventories of the plantation, track land concessions, as well as minimising spoilage with the temperature and humidity monitoring during processing, storage and transport. The blockchain technology is, hence, the solution for the European Union's (EU) call for a framework to ensure all its agricultural commodity importers' supply chains are traceable back to the origin of the raw materials, he explained.

The palm oil and palm oil products are controversial in the EU from a sustainability perspective (deforestation and biodiversity impact), social and climate impacts.

"I see a huge potential for digitisation and benefits that could be realised through blockchain, so just keep an open mind and explore further the technology. So far the application on the ground is still significantly lacking, particularly in the palm oil industry.

"We need to accelerate the adoption of this technology (blockchain) and traceability for the benefit of sustainability, especially for the half a million local smallholders' crop," she said.

About five million people in Asia directly depend on the palm oil industry and three million small-scale farmers make a living from palm oil globally, accounting for about 40 per cent of total global palm oil production. Seventy per cent of the crop are mainly used in food production, 20 per cent for cleaning and personal use and 10 per cent for feedstock and biofuel.

Oil palm plantations currently cover more than 27 million hectares of the earth's surface. She said one of the challenges when dealing with this technology across several industries is that it is a very difficult and complex technology to apply. "But if you think about blockchain in the sense of it being very similar to the Internet... today everyone uses the Internet and no one really know how it works.

"We would say blockchain would be something very similar in the next couple of years. It would be the platform or basis for creating trust and creating traceability for many supply chains but we wouldn't need to understand the running of the technology itself," she said.

The IPOSC 2020 is MPOC's biannual conference that highlights the sustainability challenges and opportunities in the Malaysian palm oil industry to all stakeholders. This year, the 6th IPOSC 2020 was hosted on a virtual platform, comprising two modules, in response to the COVID-19 pandemic globally.



NASH Seeks to Reintroduce Smallholder Palm Oil Replanting Assistance Scheme



The National Association of Smallholders Malaysia (NASH) hopes the government will reintroduce the smallholder palm oil replanting assistance scheme in the 2021 Budget. - NSTP/File pic

The National Association of Smallholders Malaysia (NASH) had urged the government to reintroduce the smallholder palm oil replanting assistance scheme in the budget. NASH deputy president Adzmi Hassan said this was the main issue raised by the smallholders based on their nationwide visits since 2018.

“We already raised this issue during the budget 2021 preparation dialogue with the Plantation Industries and Commodities Ministry (MPIC) on Sept 12 in Ipoh, Perak. “The association had organised several programmes with the smallholders and conducted meetings with the ministry to highlight the issue.

“I hope the minister Datuk Dr Khairuddin Aman Razali can consider this,” he said in a statement. He said 40 per cent of the palm oil industry was made up of smallholders. He said NASH believed the reintroduction of the scheme was crucial for the sustainability of oil palm plantations in this country.

“We hope the 2021 budget can help those in the sector, especially palm oil smallholders,” he said, adding that the government must also increase the the Rubber Production Incentive (IPG) scheme from RM2.50 to RM3.50 per kilogram.

“We asked for this due to the inflation rate before the COVID-19 increases every year. “Thus, smallholders who own land less than two hectares will face income problems due to the unstable scrap price,” he said.

Meanwhile, Adzmi said NASH echoed Prime Minister Tan Sri Muhyiddin Yassin’s statement on issuing temporary work permits to illegal foreign workers in the country.

He said this would help to overcome the shortage of workforce in the palm oil and rubber industries, especially during the COVID-19 pandemic.

“Smallholders are facing a shortage of workers for the harvesting as majority of labourers supplied by the agency are immigrants.

“This could affect their productivity - the incentive can help them cater to this issue,” he said.

Politics, Not Science, Key to Easing EU Palm Oil Restrictions, Says Expert

Politics is the key to overcoming the European Union's (EU) continued opposition to palm oil not scientific facts.

Speaking at the virtual Future-Proofed Palm Oil forum, Khalil Manaf Hegarty, director of policy at ITS Global said the palm oil industries and producing countries must learn from the previous issues faced when the EU introduced the Renewable Energy Directive, which effectively banned palm oil-based biofuels.

He said that even international standards for environmental certification did not meet the directive's criteria, and even countries with no palm oil deforestation were affected by the de facto ban.

"This is politics, not science, scientific facts alone won't win the day."

He said with the EU set to implement further restrictions over environmental issues, companies and producing countries must work together as strategic partners in presenting the Asean region as a key trade partner, and use this leverage to ease restrictions on palm oil.

"What does Malaysia and Asean have that Europe wants? They want new markets for exports and a presence in the western pacific because EU demand has stayed flat.

"They want an agreement with Indonesia, but see an EU-Asean deal as the major prize."

He said while the palm oil industry cannot stop the EU from enacting new regulations, they could negotiate to have them be less restrictive.



Even countries with no palm oil deforestation were affected by the ban on palm oil-based biofuels based on an EU directive.

This has proven to be effective in the past, as during discussions at the Asean-EU ministerial meeting earlier this month, palm producers negotiated for the palm working group to include all vegetable oils, sustainable development goals and a holistic approach to the environment in exchange for upgrading the partnership from "dialogue" to "strategic".

In a September blog post, Josep Borrell, vice president of the European Commission, said that strengthening ties between the two blocs has become an urgent need to speed up economic recovery in the wake of the impact from COVID-19.

"The EU-Asean partnership is no longer a luxury but a necessity," he said.



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MPIC Committed to Stabilise Palm Oil, Rubber Prices

The Ministry of Plantation Industries and Commodities (MPIC) will continue to work on stabilising oil palm and rubber prices, while helping to ease the financial burden of agri-commodities smallholders.

To this end, Minister Datuk Dr Mohd Khairuddin Aman Razali said the MPIC has taken several steps which include diversifying palm oil products, especially downstream products such as oleochemicals, specialised products, biofuel and finished products.

In a written reply in Dewan Rakyat today, he said the ministry has also intensified product reform efforts so that more palm oil finished products could be produced for specific markets.

The minister said this in response to Noorita Sual's (PH-TENOM) question on the steps taken by the ministry to raise the prices of rubber and oil palm, as well as on the assistance programmes for smallholders.

"The ministry is always committed in exploring new markets to further increase exports of crude palm oil (CPO).

"This includes countries like Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Bosnia and Herzegovina, Croatia, Romania, Montenegro, Mauritania, Congo, Madagascar, Kenya, Algeria, Morocco, Yemen, Libya, Haiti, Jamaica and the Caribbean islands," he said.

Additionally, he said Marshall Islands, Nicaragua and Venezuela have resumed importing palm oil between January and August 2020, importing a total of 67 tonnes worth RM217,280.

"The last time Marshall Islands imported Malaysian palm oil was in 2011, while Nicaragua and Venezuela had last imported in 2016," he said.

As for the rubber sector, Mohd Khairuddin said the government has increased rubber utilisation domestically to strengthen rubber prices in the medium and long-term.

He said this includes using rubber in road construction and production of new and value-added rubber-based products such as seismic bearings and rubber gloves.

"Malaysia has started exporting natural rubber to the United Arab Emirates (UAE) over the past three years, in addition to other products such as rubber gloves and shoes.

"From January to September 2020, Malaysia exported RM287.9 million worth of natural rubber and rubber product exports to the UAE -- an 11.6 per cent year-on-year increase from 2019," he added.

Palm Oil Export Value Will Suffer If Malaysia Stops Exporting To EU, Says Minister

Malaysia's palm oil export value to the global market would be affected if Malaysia no longer export the commodity and other palm-based products to the European Union (EU) as the region is the country's second-largest palm oil market after China, said the Ministry of Plantation Industries and Commodities (KPPK).

Minister Datuk Dr Mohd Khairuddin Aman Razali said the country's export of palm oil to the EU amounted to 2.8 million tonnes.

"Out of this total, the export value of palm oil and palm-based products to the EU in the first nine months of this year amounted to RM8.5 billion compared with RM8 billion in the same period in 2019," he said during his winding up debate on the Supply Bill 2021 in the Dewan Rakyat.

However, Mohd Khairuddin said the government was always striving to increase the export value of palm oil and palm-based products by exploring new markets which are net importers of oils and fats.

"The market demand for palm oil was encouraging over the past few years.

"The new markets are Central Asia — Uzbekistan, Kazakhstan, Turkmenistan, and Kyrgyzstan; Europe — Bosnia and Herzegovina, Croatia, Romania, and Montenegro; Africa — Mauritania, Congo, Madagascar, and Kenya; Middle East and West Asia — Algeria, Morocco, Yemen, and Libya; and America — Haiti, Jamaica and the Caribbean," he said.

In a related development, Mohd Khairuddin said the Ministry of Finance (MoF) through Budget 2021 had announced an allocation of RM20 million to address the anti-palm oil campaign.

"KPPK believes the lower allocation is in line with cost savings from overseas mission and physical engagement sessions which could not be undertaken due to the COVID-19 global pandemic.

"Towards that end, the ministry will continue to carry out promotional efforts to increase the marketability of palm products virtually and through government-to-government cooperation.

"I am confident that with the allocation, we will be able to implement an advocacy strategy that is capable of addressing the concerns expressed," he said.





Export Duty Exemption Worth RM325.2 Mil Utilised By Oil Palm Industry

The value of export duty exemption that has been successfully utilised by the national oil palm industry amounted to RM325.2 million as on Nov 27, 2020, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz.

“Among the benefits of this tax measure is that this will directly help smallholders ease selling of their produce to factories,” he said in the 32nd LAKSANA report on the implementation of the Prihatin Rakyat Economic Stimulus Package (PRIHATIN), National Economic Recovery Plan (PENJANA) and Kita Prihatin Economic Stimulus Package (KITA PRIHATIN) released today.

The government has introduced the export duty exemption of up to 100% on palm oil-based industries to stimulate the growth of the country’s commodity sector and export value.

Meanwhile, the value of the service tax exemption that has been utilised by the hotel operators of the accommodation premises had reached a value of RM836.6 million as at November 27, an increase from RM727.4 million last week.

As a measure to ensure that the tourism and hospitality sector can survive and recover as usual, the government had agreed to extend the service tax exemption on accommodation services operated by accommodation premise operators between Sept 1, 2020 and June 30, 2021, he said.

Among other initiatives to support the tourism sector include the individual income tax relief of up to RM1,000 on travel expenses as well as a full tourism tax exemption, whereby both initiatives have started and will also end on June 30, 2021.

In addition, Tengku Zafrul said some RM350 million had been allocated under the Agrobank Micro Credit Financing out of the total allocation of RM400 million to support the agriculture and food industry.

As at November 27, a total of RM53 million had been channelled, benefiting 5,534 agricultural micro small and medium enterprises in the country.

On Bantuan Prihatin Nasional 2.0 (BPN), he said the cross-checking process of new applications and appeals is underway and approved payments will be made in January 2021.





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No Impact from US Boycott on Palm Oil Products



There is no significant impact from the United States (US) boycott of Malaysian palm oil products. Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali told the Dewan Rakyat that the US only imports a total of 40 tonnes of palm oil or 0.003 per cent from FGV Holdings Berhad (FGV).

“Apart from that, the export of palm oil to the US between May to Sept this year stood at 292,940 tonnes and 292,011 tonnes for the same period in 2019.

“The export of palm oil products from Malaysia to the United States generally did not face any issues except for the trade restrictions imposed against FGV palm oil products effective Oct 1. “Therefore, the restriction over Malaysia’s palm oil produced by the United States did not have any significant impact towards the sector for now,” he said.

Khairuddin was responding to a question from Datuk Jalaluddin Alias (BN - Jelebu) who asked to what extent the US boycott of FGV Holdings Bhd products had affected Malaysia’s palm oil product exports for 2020.

On Oct 7, the US blocked imports of palm oil and palm oil products from FGV Holdings Bhd, one of the world’s largest producers based on information that “reasonably indicates” the use of forced labour.

On a related matter, Khairuddin said the Cabinet had decided to postpone the entry of foreign workers into the country, with the decision on June 4. He said it was to prevent the spread of COVID-19 infection and to empower the local workforce into the economic sector including plantation sector.

“The policy is a long term solution especially for issues involving the labour force in the plantation sector which was raised by the US,” he said.

Khairuddin said the government also emphasised on the principles of social justice involving the labour force with the enforcement of labour laws and act on workers’ welfare.

He admitted technical issues such as employers keeping passports of staff, workers bringing children to the plantation due to absence of guardian at home must be explained to the employers as they were included in force labour elements.

“The ministry via the Malaysian Palm Oil Board (MPOB) will continue to clarify these matters through advocacy programmes,” he explained.

Khairuddin said the FGV had also held virtual meetings with the US authorities in Oct to receive explanations on the import restrictions.

“The ministry learnt that US Customs Border Protection was positive in resolving the issues and is considering submitting a petition to revoke the Withhold Release Order.

“The petition also must be submitted along with an audit report from a trusted and just third party audit firm. FGV will be appointing an independent audit firm in the near future.

“The MPOB office in the US will be contacting the authorities there to follow up on the matter,” he said.

Rebrand Designation in Palm Oil Industry to Woo More Youths – Academician

What's in a name? Well, plenty, apparently, says an academician.

For one thing, rebranding harvesters and general workers in the oil palm plantation as “production operators” and “maintenance operators”, respectively, could help to woo more local youths to work in the plantation sector.

“This is especially to attract those with a family background in the Federal Land Development Authority, Rubber Industry Smallholders Development Authority, and Sarawak Land Consolidation and Rehabilitation Authority, for example”, University Malaysia Kelantan's Agrobased Industry Faculty lecturer Professor Dr Mohammad Amizi Ayob told Bernama.

He said that the difficult, dangerous, dirty and demeaning perception of the job nature and its social status has led to many local youths being discouraged from taking on employment in oil palm plantations by their friends and family members.

However, those factors may not be the main deterrents for youths in choosing to work in the sector.

“We have read stories about Malaysians who have worked in Australia's orchard farms, who are faced with difficult, dangerous and dirty jobs but the attractive salaries (due to the foreign exchange rate) entices them to work there.

“They don't mind working there even though they realise that they need to pay for their own rent and transport fees, unlike working here (in the local plantations) where almost everything is provided for.

“This is simply because they love the money and, of course, the new environment,” Mohammad Amizi said.

On that note, the academician urged the local industry players to consider giving more attractive wages and Employees Provident Fund (EPF) monthly contribution rates, as well as better basic facilities and infrastructure.

These are some of the main factors which can make oil palm plantations more appealing to local youths, he said.

“Currently, plantation workers are getting EPF but it needs to be more attractive and more competitive than other sectors; wages need to be revised too to be more competitive with other sectors such as manufacturing.



“There are companies that provide their employees with a 15 per cent EPF contribution, more than the 11 per cent contribution practiced by other companies,” Mohammad Amizi said.

Meanwhile, he also suggested for the industry to provide uniforms for the workers and upgrade the workers from unskilled to semi-skilled. The academician also urged the government and industry players to create awareness among local youths about jobs in oil palm plantations.

“Advertise more frequently in the mass media to attract local youths to work in plantations,” he added.



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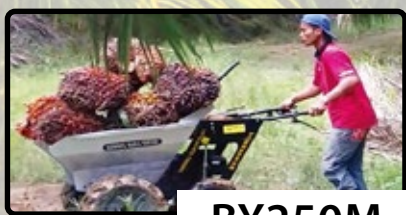
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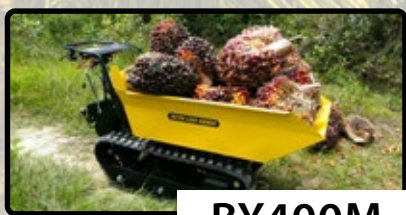
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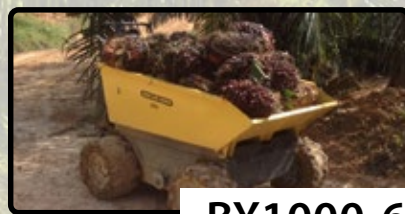
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Indonesia Government Continues to Promote Resilient and Sustainable Palm Oil Industry

Coordinating Minister for Economic Affairs Airlangga Hartarto ensures the government will continue to bolster both the palm oil industry's economic resilience and socio-environmental sustainability through a string of policies.

According to Airlangga, the agricultural, forestry, and fisheries sector is the third-largest contributor to Indonesia's GDP. Social distancing measures across various regions have disrupted the agricultural product distribution and thus causing a downtrend. Even so, the agricultural sector is far more pandemic-resilient than their industrial counterparts.

"Whereas the palm oil industry employs over 16 million people and contributes an average of \$20 billion per annum. We also see the palm oil industry still positively contribute to the economic activities amid the COVID-19 pandemic," Airlangga told an online conference held by the Indonesian Palm Oil Association (Gapki).

The minister forecasts palm oil demand to recover as economies reopen. Palm oil price is expected to rise to \$668 per metric ton next year from \$650, following the increasing demand from large trading partners and biodiesel policy.

"But the real question is how we can affirm that the palm oil industry contributes not only to the economy but also the social and environmental aspects of the community. And the answer is effectively implemented regulations and among them is the recently enacted job creation law," Airlangga said.

The 2020 Law on Job Creation helps create more jobs by boosting investment and ease of doing business. This also manifests in the government's interest to improve people's welfare while being in line with environmental protection, he added.

Also, President Joko "Jokowi" Widodo has rolled out several instruments for a more sustainable palm oil industry.

The 2018 Presidential Instruction on Palm Moratorium and Palm Oil Productivity Escalation aims to restrain further plantation expansion and ensure the permits have met the sustainability standards. The 2019 Presidential Instruction on the National Action Plan on Indonesian Sustainable Palm Oil

comprised the 2019-2024 roadmap for the government and stakeholders to balance socio-economic development and environmental conservation, Airlangga said.

In March, the president also signed a regulation to support the Indonesian Sustainable Palm Oil (ISPO) certification system. The government has made the certification mandatory for both companies and farmers, although smallholders have five years to become certified.

The government has allocated funds for plantation replanting in Riau, North Sumatera as well as South Sumatera. The program is to ensure land legality, increase productivity, income, and sustainable practices by smallholders.

Replanting is also included in the government's plan for national economic recovery. To this end, the government has teamed up with companies.

"Among these cooperation is to expedite the replanting process through subsidized microloans [KUR] disbursed by banks," Airlangga said.

Thank You, B30!

According to Gapki's Chairman Joko Supriyono, the pandemic has taken a toll on palm oil exports following lockdowns worldwide. However, the domestic consumption was able to withstand its impact thanks to the government's mandatory use of B30, a diesel fuel made of 30 percent palm oil biofuel.

"The government is consistent and persistent in implementing the B30 mandate despite the low fossil fuel price. This helps to stabilize our domestic consumption," Joko said.

"We will continue to support the government program to maintain the sustainability of the biofuel mandate as well as to ensure 100 percent recovery in the domestic market," he added.

Joko highlighted the domestic consumption increase was also thanks to oleochemicals. This palm oil derivative is commonly used in personal hygiene products such as hand sanitizers and soap, which have become a staple to keep the virus at bay.



Oil Palm Sector Gets ₹4,800-Cr Push from Telangana Government

Telangana has decided to give a big push to the palm oil sector by announcing a ₹4,800-crore project to promote the edible oil plantation in the State.

The State has set a target to have a coverage of eight lakh acres in the next few years as against the present acreage of only 38,000 acres.

Considering higher initial costs (for the first four years the expenditure would be ₹60,000 per acre), the government has decided to offer a 50 per cent subsidy on the expenditure.

It is going to promote palm oil as an alternative to the water-guzzling paddy. “The water that is required for one acre of paddy is enough for four acres of oil palm,” a senior official of the Chief Minister’s Office has said.

“Oil palm cultivation is possible only in the areas where there is a continuous availability of water. Due to increase in irrigation facilities in the State, we can offer the farmers water round the clock,” Chief Minister K Chandrashekar Rao said, while discussing ways to increase oil palm cultivation and productivity in the State.

He said the National Reassessment Committee had identified 25 districts in the State as convenient for cultivating the edible oil crop in a big way.

“As against the requirement of 22 million tonnes of edible oil, the country is producing only 7 million tonnes, forcing it to import 15 million tonnes of edible oil. This is costing the exchequer a whopping ₹70,000 crore,” the official said. Besides the State Oilfed Corporation, several national and international companies are coming forward to set up oil palm nurseries and processing plants.



Indonesian Palm Oil Export Levy Positive for Country's Downstream Players, Malaysian Planters — CGS-CIMB

The Indonesian government's decision to revise its export levy structure will hurt upstream palm oil producers in the country, but will be a positive move for Indonesian downstream players and planters whose operations are Malaysia-focused, said CGS-CIMB Research.

The research house's analysts Ivy Ng and Nagulan Ravi noted that the new regime is positive for downstream palm oil players like Wilmar International Ltd as they will benefit from the wider differential in the export levy rate between processed palm oil and crude palm oil (CPO) if CPO prices rise above US\$670 (RM2,727.57) a tonne, which will boost processing margins as they will be able to procure CPO at below international market prices.

In a note today, the analysts said upstream palm oil producers that primarily operate in Malaysia — such as Hap Seng Plantations Holdings Bhd and Ta Ann Holdings Bhd — are also expected to benefit from the revision as it will make Malaysian palm oil more competitive and boost Malaysian palm oil prices if the export levy is passed on to consumers.

Hap Seng Plantations' upstream operations are spread across 40,279ha within five estates in Sabah. As for Ta Ann, it has a planted oil palm land bank of over 46,000ha spread across Sarawak.

For integrated palm oil producers in Indonesia, estate earnings are likely to be negatively impacted by the higher export levy structure but less so than upstream producers as this could partially be offset by higher downstream earnings.

"The export levy change will not significantly impact our earnings forecasts as we have assumed a CPO price of RM2,500/tonne (or US\$610/tonne) for 2021. We retain our 'neutral' rating," the analysts said.

They added that upstream planters in Indonesia — with Malaysian companies with exposure to the country such as Genting Plantations Bhd and IJM Plantations Bhd — will not be able to enjoy the usual bump in earnings if CPO prices rise

beyond US\$670 a tonne as most earnings will go to the higher export levy and export tax on the assumption that they are not able to pass this on to consumers.

"To put things into perspective, with the new structure in place, the export levy for CPO will be US\$180/tonne, while export tax has been fixed at US\$33/tonne for Dec 20. This means CPO in Indonesia is priced at a discount of as much as US\$213/tonne (RM864/tonne) to that in Malaysia (which currently enjoys zero export tax on CPO)," they said.

Many large Malaysian plantation companies have exposure to Indonesia. For example, in the case of Sime Darby Plantation Bhd, it has a planted area of 195,279ha in the republic. FGV Holdings Bhd has 22,578ha of planted area in Indonesia as well, while 20,724ha or 12% of IOI Corp Bhd's total oil palm hectareage is in Indonesia.

Conversely, the research team noted that the regime change will ensure the continuity of the B30 biodiesel programme as well as cushion any downside to CPO prices in the event of a palm oil supply glut.

Earlier this month, the Indonesian government revised the export levy structure for palm oil exports, effective on Dec 10. Under the new structure, the levy will be linked to the reference price of CPO.

As such, the export levy will be raised by US\$12.50 to US\$15 per tonne for every US\$25 per tonne increase in the CPO reference price beyond US\$670 a tonne and up to US\$995 a tonne. Previously, the export levy was fixed at US\$25 to US\$55 a tonne for CPO and processed palm products regardless of CPO prices.

The changes are to help rebuild the country's CPO fund, which is nearly empty as a result of the widening price gap between domestic biodiesel and gas oil, CSG-CIMB pointed out.

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Central Asia and Africa the Growth Areas for Malaysia's Palm Oil Producers



Palm oil market share in Central Asia is below 7%.

Central Asia and sub-Saharan Africa represent key growth areas for the expansion of palm oil businesses, as both offer unique opportunities for local players and investors, say palm oil experts.

Speaking at the virtual 'Future Proof Palm Oil' forum, Hisamuddin Mohamad Aspar, regional manager of product development for Central Asia at the Malaysian Palm Oil Board, said that with most regions relying on imported oil and fats, this was a key opportunity for Malaysian suppliers.

He said that over 2.3 million tonnes of oil and fat was annually imported by Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan) and Iran, much of which is sunflower oil, which presents plenty of room for palm oil to grow its market share.

"Palm oil market share in the region is still low at below 7%, and there is room for expansion particularly in the production of solid fats and blended cooking oils," he said, noting also that the emergence of fast food chains in the region will likely spur the demand of vegetable oils.

As for Africa, Fatima Alimohamed, chairperson of the Agribusiness Sector of the Association of Ghana Industries, said the new African Continental Free Trade Area creates a "borderless" continent, which she believes Malaysian palm oil companies would be wise to capitalise on through trade agreements.

"This image that Africa is poor, that we continue to have a bowl in our hands, that has changed now," she said, adding that in addition to a rapidly growing economy, the continent has an abundance of resources and a large workforce that companies can capitalise on through the setting up of plantations or refineries.

"I don't believe discussions have started in terms of preferential agreements that can be done between Asia and respective governments in Africa" she said, "but now there are discussions that should be taking place at the top level to see how we can collaborate and be partners".

When entering new markets, Marco Tieman, founder and CEO of supply chain experts LBB International said, ensuring halal compliance throughout the process was a must, from harvesting to manufacturing and distribution.

"As halal is moving from a product to a supply chain approach, it is becoming very complex to manage without the right ecosystem in place."

He said that new international standards that have been established are a "game changer" as it covers the entire supply chain and offers a guide to help palm oil companies maintain halal compliance from crop to consumer.



Indonesia Needs to Build Global Support for Palm Oil: Ministry



Illustration - A worker harvests fresh palm fruit bunches in Jambi on December 11, 2020.

Indonesia needs to build support in the global market to tackle the negative sentiment in the European Union for its palm oil, an official from the Coordinating Ministry for Economic Affairs has said.

“For me, it is about how we build the spirit from the inside, or build sympathy from the global market, on the fact that Indonesian palm oil has been managed in a sustainable manner,” deputy for food coordination and agribusiness coordination at the ministry, Musdhalifah Mahmud, said.

She made the remarks at a webinar on ‘Indonesian Palm Oil’s Future in the European Union Market Post COVID-19’ in Jakarta.

The livelihoods of 18 million Indonesian workers depend on the country’s palm oil production, she pointed out. The industry can also pave the way for economic development in the rural areas of Indonesia, where the economy is still lagging the rest of the country, she added.

Many regions in Indonesia, she noted, need their economies to be elevated, and they have yet to gain access to economic development, education, and health. One of the measures to empower them is developing palm oil products, she said.

“Perhaps it can be done by initiating a tagline that describes our palm oil, it is not something glamorous or exclusive, rather, it is something that captures the need of our country for the people,” she suggested. The EU remains an important and stable market for Indonesian palm oil exports till date, despite a downward trend in demand, she noted.

Up until October, 2020, the European Union market absorbed 24 percent, worth US\$1.40 billion, of the total exports of Indonesian crude palm oil (CPO). The total exports of Indonesian crude palm oil reached US\$5.85 billion in October, 2020, despite the various obstacles imposed by the EU, Mahmud said.

However, the Renewable Energy Directive (RED) II, allegations of subsidies, and dumping have had an impact on the export of palm biofuels, even though this has been compensated for by exports for food and industrial purposes, she observed.

Aside from crude palm oil products, the European Union is also a market for Indonesia’s palm oil core products and other palm products.



Before 2020, exports of palm kernel crude oil to countries in the European Union accounted for 33.9 percent of the total exports of such products, or amounting to US\$72 million.

Tanzania: Tari Offers Palm Oil Seedlings

Tanzania Agricultural Research Institute (TARI) has produced and distributed over 3 million Tenera hybrid palm oil variety seedlings to farmers based in Kigoma and other regions involved in cultivation of palm products in the country.

The Director General of TARI Dr Geoffrey Nkamilo made the revelation here noting that seedlings were disseminated to six Kigoma region district councils and other regions with the aim of boosting palm oil production in the country.

“The aim of producing and distributing the hybrid variety seedlings is to ensure farmers rely on the use of the variety (Tenera) that yields far more oil than locally dura variety that most farmers used to plant,” he said.

The Tenera variety seedlings according to TARI stands a better chance to produce eight to nine tonnes of oil per hectare compared to dura variety that produces 1.6 tonnes per hectare.

The cultivation of the palm oil using the Tenera varieties and adhering to good practices will help the country produce enough oil and reduce edible oil import dependence.

Currently, the country has the capacity to produce 205,000 metric tonnes out of 570,000 required per year as the government spends 443bn/- in importing the rest 365,000 tonnes to fit the requirements.

He said that in order for the country to be able to produce the required amount of the oil, the research institute has established oil palm nurseries in Naliendele in Mtwara, Kilosa Morogoro, Ilonga and Kyela district in Mbeya.



He said that TARI is also in the process of establishing more nurseries to produce the Tenera variety seedlings in Tanganyika District in Katavi Region, Sumbawanga and Tabora.

“The aim is to produce as many Tenera variety seedlings as possible to ensure each seedlings reach each and every farmer to cultivate and produce the palm oil for our country and requirements as well as for commercial purposes,” he said.

Dr Nkamilo said the plan of producing and distributing the Tenera variety seedlings to farmers was the government's directives to the Ministry of Agriculture to boost palm oil production in the country and reduce edible oil import dependence.

He said the strategy implemented under government cost if succeeded will help the country abstain from importing edible oil.

TARI is also researching and producing improved seedlings of sunflower, sesame and groundnut oil plants to boost the production of oil for the country consumption and commercial purposes.



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Indonesia Urges EU to Accord Fair Treatment to Palm Oil

Indonesian Foreign Minister Retno Marsudi called on the European Union (EU) to give fair treatment to palm oil during the 23rd ASEAN-EU Ministerial Meeting held online on December 1.

Indonesian Foreign Minister Retno Marsudi called on the European Union (EU) to give fair treatment to palm oil during the 23rd ASEAN-EU Ministerial Meeting held online on December 1.

Retno Marsudi's request was given following the European Council (EC)'s adoption of the Renewable Energy Directive (RED II) in March last year, in which the EC concluded that palm oil plantation resulted in massive deforestation worldwide, and set down plans to phase out the use of palm oil completely by 2030.

To improve common understanding and bridge better policies and self confidence in the sustainable palm oil industry, the ASEAN and the EU have agreed on the creation of a Joint Working Group (JWG) to discuss vegetable oils in proportion to palm oil.

The Indonesian diplomat said she welcomes the plan to organise the first JWG meeting in January, 2021, stressing the ASEAN-EU partnership should be maintained based on mutual benefit, equality and non-discrimination so as to further develop the strategic partnership. Earlier, Marsudi said if other vegetable oils need 278 million hectares of cultivated land, palm oil requires just 17 million hectares.



Indonesian Foreign Minister Retno Marsudi (Photo: Antara)



Southeast Asia is the world's largest palm oil producer, accounting for 89 percent of the global production, she said, adding palm oil can play an important role in helping nations achieve sustainable development goals since the palm oil sector generates 26 million jobs in the region, and gains tens of billions of USD each year.

In Indonesia, the industry helped 10 million households escape poverty, and contributed 23 billion USD to the country's foreign exchange coffers in 2019, she said. Indonesia has stressed that the post-pandemic economic recovery in the context of environmental protection must serve common interests and commitments. Environmentally friendly production of palm oil is the commitment of Indonesia and the EU, she added.



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Oil Palm Smallholders Urged to Adopt Tech to Increase Yield – Plantation Think Tank

The oil palm industry, especially the half million smallholders, need to do more for their oil palm cultivation business despite working with lower plantation acreage to earn a better living, and this can be done through mechanisation and adoption of technology, according to a plantation industry think tank.

Sharing their views on the second day of the Future-Proofed Palm Oil (FPPO) 2020 International Summit and Exhibition, the eight panellists featured today believed that the smallholders cannot move away but need to change, in order to better manage their field and increase their yields.

“They don’t need to spend much money to get the most sophisticated devices but it’s sufficient to get a basic smartphone to monitor the working conditions through the cell-phones to take pictures of their crop, and monitor the yield, water and fertiliser applications.

“They need to keep tabs on what is going on in their plantations,” PT e-Komoditi Solution chief executive officer Ferron Haryanto said.

Concurring with his views, Shih Shen Wong, regional sales manager, Southeast Asia, Planet Labs Inc. said the disruption brought by the new technology is available for planters to apply in their oil palm field and to increase yields.

“This is crucial since Malaysia has pledged to cap its total planted area at 6.5 million hectares by 2023, in a move to dispel the claim that the expansion of oil palm plantations has led to deforestation,” he said.

Shih said the issue can be resolved by adopting artificial intelligence and blockchain technology (distributed ledger for traceability).

Meanwhile, on increasing the yield, Malaysian Palm Oil Board senior principal research officer and head of Breeding and Tissue Culture Unit Dr Meilina Ong-Abdullah said the board is working to fast-track breeding via the cloning of palms with special traits and breeds that are high in carotene and vitamin E.





However, she said there will be some challenges — mainly the higher cost derived by the strategy and concerns on who would bear the cost — even though there is a huge potential in increasing yields and boosting income.

“There must be a policy change to support this initiative. The possible solutions for clonal adoption may include policy directive by the government, a potential business model and a shared prosperity model.

“For the policy directive, in order to encourage planting of clones, at least 10% of clonal materials need to be incorporated in replanting programmes and clonal producers should allocate five- to 10% of their production for smallholders or any other parties as one of their corporate social responsibilities,” she explained.

Another panellist had proposed increasing yield by integrating the oil palm industry with Industry 4.0 and industrial biotechnology, which also known as Industry X.

“Industry X could unlock hidden yields without hectareage expansion. Biotechnology is a proven technology for a more efficient and environmentally-friendly palm oil milling process, going forward.

“It can also enable palm oil producers to process waste into wealth as a biodiesel source. The palm oil milling industry is still evolving and to further unfold improvements require the intervention of many including scientists and engineers,” said

Hong Wai Onn, honorary secretary, IChemE in Malaysia Board and chair of IChemE Palm Oil Processing Special Interest Group.

Besides increasing yields, the think tank also believed that the palm oil milling technology needs to evolve.

“Machinery and equipment operating conditions at palm oil mills are also dominant factors affecting oil loss and oil extraction rate (OER).

“Therefore, improvement in machine operation is foreseen to be a possible way to increase the OER which can also help reduce the palm oil mill losses,” said Prof Robiah Yunus, director of the Institute of Plantation Studies and professor, Biobased Products and Technology Research Group, Department of Chemical and Environmental Engineering, Faculty of Engineering, Universiti Putra Malaysia.

Research has found that by 2050, the world would require 156 million tonnes of crude palm oil from the 65 million tonnes produced in 2019.

Considering the limitation to meet the palm oil market demand due to land limitation and labour shortage, it is therefore critical for the industry to increase yield through modernisation and research and development, Robiah said.

The FPPO 2020 is a four-day event that began yesterday, aimed at addressing palm oil-related issues and recommending solutions through discussions on market, policies, strategies, technologies and innovations.





Oil Palm Plantations Seek Consignment of Relief Foreign Workers

The Sarawak Oil Palm Plantation Owners Association (Soppoa) has called upon the state and federal governments to allow for a consignment of relief foreign workers to enter the state.

Soppoa said the workers would come in on condition of full compliance with the State Disaster Management Committee (SDMC)'s regulations and standard operating procedures (SOP) to inspect and verify employee health status – with only those free of COVID-19 after the mandatory 14-day quarantine and COVID-19 tests to be admitted.

Since the enforcement of the Movement Control Order (MCO) in March this year, Soppoa said oil palm estates in Sarawak had resorted to their own strict SOP apart from SDMC's, such as self-lockdown in the rural areas, which had proven effective so far.

“Allowing new recruits to come in for plantation work during this peak crop season with good crude palm oil (CPO) prices of more than RM3,000 per metric tonne, would provide relief to the industry, which has suffered much over the last two years – where CPO prices were only hovering about RM2,000 per

metric tonne. Companies are still suffering financial losses and still finding difficulties to pay bank loans, other borrowings, and vendors.

“The survival of the industry lies squarely in the hands of the government and surely, it can make a difference if the government help comes in time before the industry has to again appeal to the government to help keep the industry afloat,” Soppoa said in a statement.

In comparison with the agro-commodity sector of Europe and the US, the association said vegetable oil growers were much protected by the government and were subsidised and incentivised in many ways to encourage them to thrive.

“Here in our country, the oil palm industry is undisputedly the most taxed industry compared to all other industries in the country by the government in billions of ringgit and yet, when we appeal for relief workers to survive, we are just not reciprocated – plantation companies, one by one, would be forced to close down due to the lack of support from the government,” Soppoa said.



As such, it said it was willing to listen and cooperate with the government to forge a win-win solution as the agriculture sector in Malaysia, especially the agro-commodity section, played a significant role not only in the nation's economy, but also the survival of thousands of farmers and their families, who depended on this industry for a decent living.

"Unless the government wants the industry to go into bankruptcies and farmers flooding to the cities for jobs, leaving the countryside behind, the association urges the government to act now before it is too late," said Soppoa, adding that the industry currently requires 'intensive care'.

The association pointed out that the palm oil industry in Sarawak was the highest contributor of revenue to the state under the agriculture sector, but it had been severely handicapped by the severe shortage of harvesters during this peak crop season with current good CPO prices, which otherwise could have generated more revenues for the state and helped the planters to 'survive better during this COVID-19 pandemic'.

"Over the years, the palm oil industry in Sarawak has invested billions of ringgit of hard-earned money in the state through the development and setting up of estates, palm oil mills, and refineries.

"This industry in Sarawak has grown to be the biggest oil palm growing region in Malaysia with 1.6 million hectares planted.

"This has also provided businesses and investments for other spin-off and related industries like machine spare-parts and hardware, fertiliser, equipment and food, non-food manufacturers, traders, and other services," said Soppoa chief executive Andrew Cheng.

He said the industry had consistently been providing stable employment to thousands of local and foreign workers, contributing to the wealth and prosperity of the state, enabling many native landowners and their families to become smallholders where the majority of them enjoyed self-employed livelihoods from oil palm cultivation.

"Over the past years, Sarawak has progressed economically and many locals have ventured to the cities and overseas for opportunities, leaving our rural settings almost devoid of workers. Furthermore, for locals currently employed in the palm oil industry in Sarawak, about 60 to 80 per cent of them are in the skilled and semi-skilled categories," he said.

Due to COVID-19, the country had stopped new foreign workers entering Sarawak since March and this had aggravated the already-acute shortage of workers – causing the industry to head towards an almost certain business closure for most plantation businesses, big or small.

"There are simply not enough workers to harvest the fruits, which are the only source of revenue for estates. This, in turn, has turned to unrecoverable financial losses for the companies due to late or partial harvesting.

"These unharvested perishable crops are rotting away, gradually leading to lower crop yields and quality of palm oil, which contributes to further loss of overall income.

"Worst, in many instances, these fruits which are left unattended due to shortage of harvesters, render the earlier high investment costs and efforts incurred for agronomic input such as fertilising and husbandry to generate these valuable products, to just being wasted.

"With less income from the lower crops being harvested due to worker shortage, the companies are curtailing overall spending to survive, and this would directly and indirectly impact the value chain and subsequent shrinking of the state's agro-commodity economy," he said.

Cheng added that for estates that were forcefully abandoned, it would take about two to three years for them to turn around and become productive again; hence, this was also a reason why the shortage of workers could lead to the worsening of the situation in Sarawak.



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Growing Industrial Businesses in Southeast Asia with Smart Water Management

While we are dealing with the devastating effects of COVID-19, another equally impactful, longer-term crisis looms ahead: water scarcity.

By the year 2040, it's estimated that water use globally will exceed supply by as much as 40 per cent.

In Indonesia and Malaysia, palm oil milling consumes 3,500 to 7,500 litres of water per metric ton of oil produced¹, used in fruit processing, steam boilers and water-intensive cooling systems. That means by end of this year, with global production of palm oil of 72.27 million metric tons, palm oil processing² absorbed an amount of water roughly equivalent to the water volume of Indonesia's largest lake, Lake Toba.

Palm oil isn't the only thirsty industry. In Southeast Asia, the rapid rise of data centres, powering cloud computing across the region, is also impacting water supplies. Similar to palm oil, heat-generating data centers use fresh water for cooling. The typical data centre, often located in densely populated areas where water is already scarce, consumes 30 million litres of water a year³. Multiply that by 155, the number (and growing) of data centres in Southeast Asia today, and the race for water is on.



What does effective water management mean in Southeast Asia

For palm oil, data centre and other heat-generating industries, water management means maintaining healthy cooling systems. That is, proactively preventing the corrosion and scaling that lead to equipment failures and consequent overuse of water, and of course, increased costs. It also means incorporating environmentally sustainable non-phosphorus solutions into industrial operations.



Moving towards non-phosphorus sustainable solutions

Traditionally, phosphorus (P) has been used as a corrosion inhibitor in cooling systems. However, too much phosphorus in fresh water promotes hyper-growth of oxygen-eating algae. The water literally suffocates, along with its plant and fish life, becoming unusable.

As phosphorous can cause scaling in cooling systems, a reliable and robust Non-phosphorus programme that utilises an organic corrosion inhibitor to replace existing phosphorous-based chemistry, can improve the performance towards water quality fluctuation and significantly reduces the algae stress from both the cooling water system as well as the environment. This will also contribute to reducing the scaling risk, saving businesses water and cost.



The power of data: You can't reduce what you can't measure

An effective Non-phosphorus solution requires system measurement and monitoring. An example is the Nalco Water 3D TRASAR™ Cooling Water Technology that monitors system stress across diverse locations to prevent scale, corrosion and microbial fouling. The tool runs on mobile devices, allowing palm oil mill managers to monitor operations 24/7 and providing real-time information on automated changes in the system, corrective actions, and results. Data that would today be manually recorded is automatically saved to the cloud so that company managers elsewhere can see it too. This is especially relevant during COVID-19 when remote sites are less accessible.

The same cooling solutions are similarly used to monitor and respond to water inefficiencies in data centers, sending real-time data and information to save power and ensure optimal performance. For example, Tier 4 data centres require 99.995 per cent uptime per year to ensure reliability. The bottom line: no one is happy if the Cloud goes down.

Looking ahead

Though COVID-19 has affected Southeast Asia's growing economies this year, the industrial sector continues to use water in operations. This means that effective water management and sustainable operations must remain at the forefront of business strategy.

As water supplies become increasingly vulnerable across the Southeast Asia region, it is imperative that we develop water management solutions focused on improving the quality of both our raw water and wastewater discharge. The time for sustainable operations is now.

About Ecolab

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*Evan Jayawiyanto,
Ecolab, Southeast Asia,
AVP and GM, Nalco Water Division*



Understanding the Issues Concerning Plate Heat Exchanger

Part 1. Company introduction.



HISAKA has been providing plate heat exchangers to the Malaysia's palm oil market as early as 1974 through prominent wastewater companies like Salcon Centrimax, and later Aquakimia. Since then, we are continuously providing support to customers in the industry until now.

In 2004, HISAKAWORKS SEA was set up to take care of customers around South East Asia region. It is because of our growth of customer in this region that promotes us to provide better support for them.

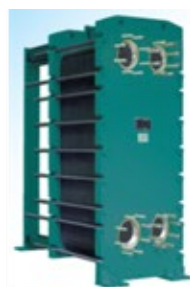
Philosophy

Our company upholds the philosophy of Magokoro (诚心) which means Sincerity. Our products manufactured are ensured to be "people and environment friendly".

It is such a philosophy that generates a special relationship with our customers. Through this practice, our customers not only benefit from our durable and good performance products, but their business also prosper.

Thermal Solution Company

Throughout the years of providing heat exchangers to customers in Asia and the world, we have gained great support from the customer. This promotes us to provide more value to our customers. We understand that customers not only enjoy our durable and high-performance product as they wanted more. Hence, we have become a thermal solution company. Other than variable types of the plate heat exchanger, we are also providing a fully welded heat exchanger, spiral type heat exchanger, as well as ball valves.



Semi-Welded
PHE



Wide-Gap
PHE



Condenser
PHE



Fully
Welded
Heat
Exchanger



Brazed
Heat
Exchanger



Spiral Heat
Exchanger

Part 2. Reactive Maintenance or Preventive Maintenance?

HISAKAWORKS SEA SDN BHD has been positioned at the center of Southeast Asia. Being a manufacturer for this region, we also keep stock for each country to support our customers. As a dedicated service team, we are here to support both situations of reactive or preventive maintenance.

Which is better?

In Japanese culture, it is always better to do preventive maintenance. By doing so, it promotes a longer life span of the item. This is the reason why things in Japan look new, preserved, and long lasting.

Plate heat exchangers may look normal from the outlook even in operation. What happens on the inside may be an unforeseen problem. Plate heat exchanger is designed in a way that each plate has a gasket because of its purpose that can be dismantled, inspected and cleaned. Make sure you check it often to avoid the following issues.

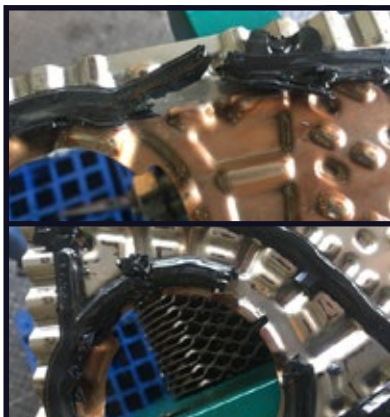


Common Problems Face by Customer

Gasket Melting



- This is EPDM gasket that is used for heating purpose. Steam is the heating medium. Often, it is hard to control steam temperature.
- Sometimes over temperature happens, if happened frequently, it will cause gasket melting.
- Late detection may lead to wastage of steam energy and money.

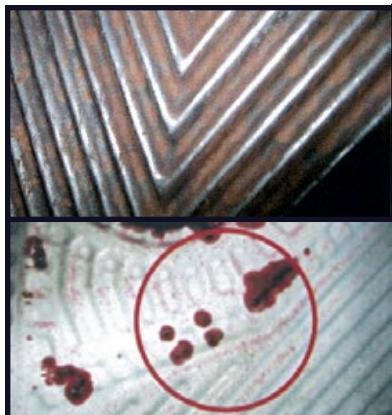


- This is what happen when it became worse.
- When gasket broke, external leaking will happen.
- If double seal gasket were damaged, internal mixing will happen and it will cause product damaged.
- Production loss
- Always practice to inspect the unit at least once a year and change the gasket by your observation.

Hard Scaling

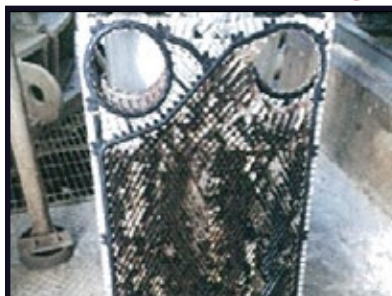


- This is SUS316 plate, used for heating purpose
- Steam is the heating medium.
- When water quality is not good enough, steam produce is also become “dirty”
- Steam contain high dissolved salt of CaSO_4 and CaCO_3 will generate scale at high temperature.
- It is one of the common problems at site.



- Even after complete cleaning by chemical, the scale still cannot be fully remove.
- There have been a chemical reaction between scale and surface of plate.
- Furthermore, it will decrease the heat transfer ability since the scale layer act as a resistance for the heat transfer
- If the problem occurred in longer period, crevice corrosion may happen and with the help of chloride ion, it will create pinhole and damaged the entire plate.
- If water/steam quality hard to control practice frequent water jet cleaning is reasonable

Serious Fouling



- This unit is used to heat up glycerin, using steam as heating medium.
- Serious fouling was identified when the unit is disassembled.
- The structure of fouling is muddy type
- This fouling could seriously block heat transfer and increase pressure drop



- This is unit was installed as heat recovery oleochemical plant.
- When dismantle, both hot and cold side contain wet mud on the surface of plates.
- Because of serious fouling, this unit is unable to achieve desire temperature and cost more usage of heating/cooling medium.
- Cost of unit increase.
- The fouling not only occurred at the plate surface, it also build-up in the port holes.
- This surely will increase pressure drop.
- Overall, this unit is in a bad condition.
- Hisaka will provide total overhaul and cleaning

All the above samples are examples of extreme cases of units being neglected for too long. Do not let your equipment become your next problem that stops your plant operation. Should you require and service or assistance, feel free to contact us.

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** While stocks last*

Zero Discharge Milling to Ensure Soils Restoration, Carbon Storage and Business Sustainability



By Philippe Conil, Bioengineer (U. of Brussels) -
pome@pome-consultancy.com

KEY WORDS: Organic matter, carbon storage, soil fertility, business sustainability, ETP vs ZDM

Palm Oil Mills only export oil (CPO = carbon + oxygen + hydrogen) while plantations consume chemical fertilizers (NPK). Where is the mistake?

Our agribusiness is based on biomass production (photosynthesis). Biomass production is high, but soil fertility (= organic matter = carbon) is decreasing year after year. Where is the carbon going? What are we doing wrong?

Organic matter: A missing link?

Tropical climate is favorable for high-yield biomass production. Organic matter (OM) in the soils improves physical, biological and chemical soil properties and is a requirement for biomass productivity and resistance to droughts and parasitism. Due to high temperatures and humidity, organic matter has a high rate of mineralization in tropical soils; a permanent OM addition is therefore required. A failure in OM management drives to a reduction of agricultural production and sustainability and/or to an increase in the cost of chemicals and other inputs. The stagnation of palm oil yields (average of 3,8 T oil/ha-year for the last 40 years) is an example of it.

Mills' discharges treatment vs. recycling

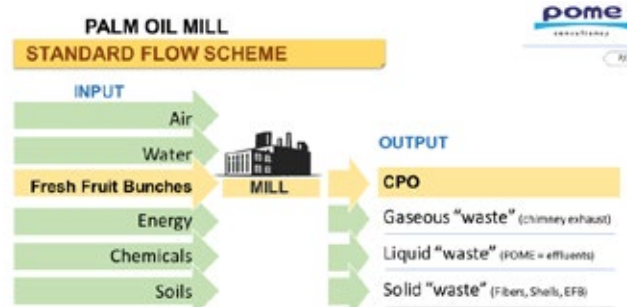
Organic matter and nutrients discharge to the environment (pollution) is not a sustainable long-term option for human activities. The society could at any moment consider that industries have the right to use freshwater meanwhile they do not discharge to the environment, at least as a "business model".

Organic load (COD, BOD) removal, with ETP (Effluents Treatment Plants), under local regulations, is an acceptable short-term environmental answer, but not a sufficient goal for the industry to assure the profitability and sustainability of the business.

Organic matter comes from the photosynthesis (biomass production) and must somehow go back to the soils. Nutrients have also to go back to soils to reduce chemical fertilizers requirements. By the way, the industry must close the cycle of carbon and nutrients and not discharge them into the air or watershed.

The agro-industry standard flow scheme

All agro-industries transform biomass into some marketable product. They need some inputs, and they generate by-products and effluents. Most of the nutrients are found in these by-products. In the palm oil sector, the marketable product (CPO) is only 22% of the weight of the Fresh Fruit Bunch (FFB), and the FFB is only part of the biomass production (trunks, roots, leaves).



Business indicators

In addition to the main short-term indicator, which is the CPO market price, business sustainability is guided by other key indicators:

- Market perception
- Consumption of external “inputs”
- Plantation diseases
- Biodiversity
- Greenhouse Gases (GHG) emissions
- Pollution

Let's point here that soil fertility improves most (all) of these indicators, while, strangely, it is rarely considered as a business indicator.



Environmental constraints

Effluents discharge standards in Malaysia are stringent (BOD 100 ppm or BOD 20 ppm in function of the region). Compliance implies the construction of facultative and aerobic open ponds (around 1 M US\$) + a sophisticated aeration and polishing plant (around 1 M US\$).

Due to a national commitment for palm oil sustainability, MPOB and the government also drove millers to capture their greenhouse gases emissions and, at least, to flare them. For a typical 60 T/h mill, this is an investment between 1,5 and 2,5 M US\$ in function of the quality and reliability of the biogas plant (market prices in Malaysia).

Environmental constraints can only increase, year after year, when Malaysia will meet international environmental practices, like:

- Lining: Open lagoons (as well as lagoon-based biodigesters) must be 100% lined to avoid water table contamination (additional investment of 1 M US\$ + sometimes the necessity to rebuild the ponds)
- Sludge management to avoid soils, watershed or water table contamination (additional investment of 250.000 US\$ for a dehydration unit)
- Nitrogen (N) and Phosphorus (P) removal before river discharge (generating other additional investment of 1 M US\$ + additional O&M costs)
- Color removal (cost?)

Carbon and nutrients cycle - POME and EFB value

The fertilization is driven by the Liebig's law of the Minimum. To provide all the macro and micronutrients to the plantation in due proportion requires huge costs of analysis, fertilizers, and application. The smartest and more secure fertilization strategy is to apply to the crops what has been exported by the crops and sent to the mill. POME and EFB contain most of the macro y micronutrients exported by the fruits (FFB). Alone, they can replace around 25% of the chemical fertilizers of the plantation.

Oil palm also require good soils, for high yield, resistance to drought and to parasitism and high oil extraction rate. This is the carbon (organic matter) input. Organic matter improves physical, chemical and biological quality of the soils. What is the value we give presently to the carbon recycled to the soil? Why isn't it considered in our annual balances?

We can observe an impressive reduction in the OM content of the soils after a few decades of plantations. Carbon has been mainly released into the atmosphere as CO_2 , what means as GHG. A typical plantation has released around 400 T of CO_2 -equivalent per hectare in fifty years. At the present cost of the CO_2 -equivalent on the market, it represents around 12.000 US\$, what means 240 US\$/ha-year, additional to the actual agricultural value of the carbon for the soils and for the business sustainability, which is still higher.

POME value as fertilizer: 4 to 5 US\$/T FFB

EFB value as fertilizer: around 3 US\$/T FFB

POME value as energy: 0 to 5 US\$/T FFB (*)

(*) If POME is methanized ("biomethanated"), the biogas production (around 15 m³ CH₄/T FFB) value is between 0 and 5 US\$/T FFB, in function of the biogas use.

The challenge is to achieve this valorization. Many technologies have been developed in the last 20 years to catch this potential, but the objective has to be clearer: zero discharge to the environment and carbon + nutrients recycling to the soils. This is the keystone of the business sustainability.

Four options for ZDM (Zero Discharge Milling)

1. FORLIM (Dosed and monitored liquid fertilization with biomethanated POME)

- Can fertilize intensively 1.500 hectares (for a 60 T/h mill)
- Save 100% of chemical fertilizer on that superficies
- Allow yield increase compared with traditional intensive chemical fertilization

2. Co-Co (EFB + POME co-composting)

- Can process 2 m³ POME/T FFB
- Allow intensive fertilization of more than 2.000 hectares (for a 60 T/h mill)
- Compact (around 12.000 m² for a 60 T/h mill)
- Does not require roof (BIOTEC technology)

3. B-E-D (POME Bio-Evapo-Drying, up to powdered biofertilizer)

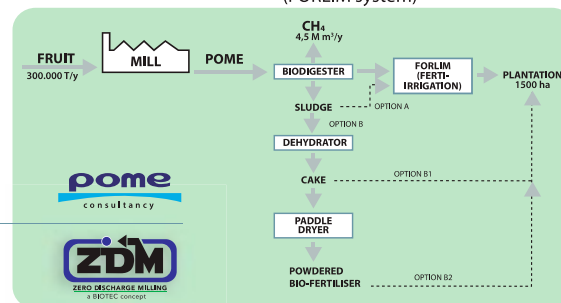
- Well developed technology in other agro-industries
- Self-sufficient in energy thanks to the biogas generated
- High value final powder
- Possibility to market a humic-rich soluble biofertilizer

4. E-D (Raw POME Evapo-Drying, up to powdered animal feed)

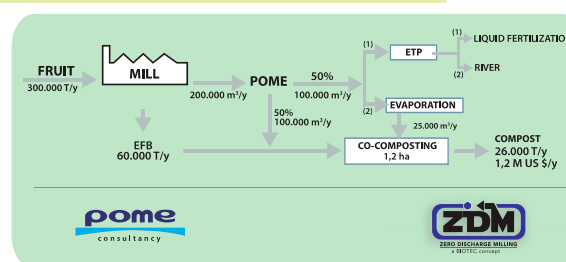
- Transforms raw POME into ingredient for animal feed
- Requires steam and electricity from the mill

POME to liquid biofertilizer

(FORLIM system)

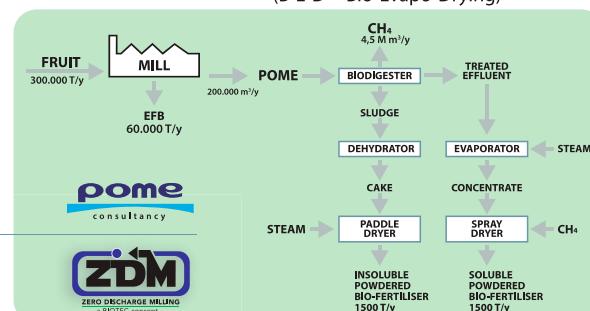


EFB + POME CO-COMPOSTING

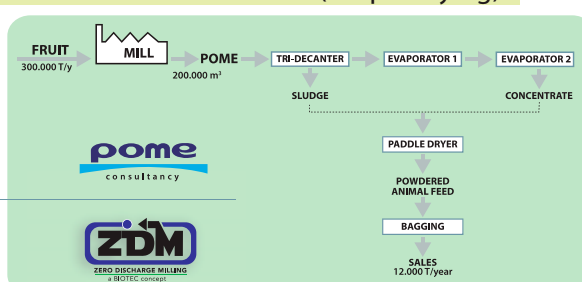


POME to powdered biofertilizer

(B-E-D = Bio-Evapo-Drying)



POME to animal feed (evapo-drying)

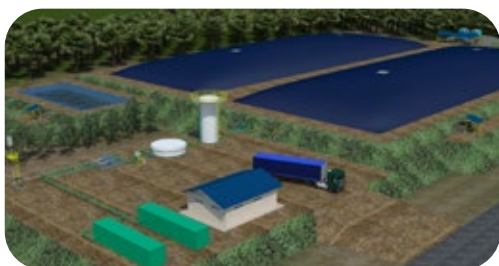


Pictures

● RAC-T (bolted) tank-based biogas plant



● RAC-L lagoon-based biogas plant



● FORLIM liquid fertilization



● Co-Composting plant



● POME bio-evapo-drying plant



● POME evapo-drying plant (for a 30 T/h mill)



Conclusions

To reach business sustainability, we have to change our mindset. Continuing with POME and EFB “treatment” to mitigate the impact on the environment is a dead end, a blind alley. It is a secure method to perpetuate:

- Investment without return
- Environmental impacts
- Operational headaches
- Reduction of the carbon content of the soils and consequent increase of the GHG emissions

All the agro-industry, including palm oil mills, will definitively have to switch to the concept of ZERO DISCHARGE MILLING which allows:

- no impact on the environment
- inputs reduction
- carbon storage in the soils and consequent increase of the soil fertility
- a positive impact on yields
- R.O.I. (Return on Investment)

Acknowledgment

- Pome Consultancy Sdn Bhd (www.pome-consultancy.com)
- BIOTEC (www.bio-tec.net)
- SSP (www.sspindia.com)

Live Interview Session: Palm Oil's Future in Southeast Asia

Speakers's Profile



Tan Sri Datuk Dr. Yusof Basiron

Tan Sri Datuk Dr. Yusof Basiron officially began his role as Executive Director of Council of Palm Oil Producing Countries (CPOPC) on 1 June 2019. Dr. Yusof is an influential public figure in the Malaysian palm oil industry. He was the Director General of the Malaysian Palm Oil Board (MPOB) from 1992 to 2006 and the CEO of the Malaysian Palm Oil Council (MPOC) from 2006 – 2017 and later appointed as Advisor on Commodities to the Minister of Plantation Industries and Commodities Malaysia during part of 2017/2018.

Dr. Yusof joined CPOPC in 2019, at a time when this inter-governmental organization was positioned to further promote, develop and strengthen cooperation among oil palm cultivating countries to ensure long-term benefits of palm oil to the economic development of the people in member countries. From 2019 onwards, he has been steering CPOPC in various strategic directions, for the improvement of the palm oil sector



Dato' Lee Yeow Chor

Dato' Lee Yeow Chor is presently the Group Managing Director and Chief Executive of IOI Corporation Berhad, the second most valuable palm oil company listed on Bursa Malaysia. He has been on the Board of Directors of IOI Corporation Berhad and IOI Properties Berhad since 1996, and a Board Member of IOI Properties Group Berhad since 2013.

Dato' Lee was elected Chairman of the Malaysian Palm Oil Association (MPOA) in June 2020. Prior to that, he was the Chairman of Malaysian Palm Oil Council (MPOC) for 11 years from 2009 – 2020. Dato' Lee was also appointed as a Board Member of Bank Negara Malaysia from 2015 to 2018. He was formerly a Board Member of the Malaysian Green Technology Corporation and the Secretary General of the Malaysian Real Estate Housing Developers Association (REHDA) from 2002 to 2006.



Live Interview Session: Palm Oil's Future in Southeast Asia

01

The United Kingdom (UK) left the European Union (EU) on the 21st of January, this year. Is Brexit considered an opportunity for the country's palm oil industry as now U.K. can draw their own rules?

1. The United Kingdom (UK) left the European Union (EU) on the 21st of January, this year. Is Brexit considered an opportunity for the country's palm oil industry as now the U.K. can draw their own rules?

Tan Sri Datuk Dr. Yusof Basiron: As we all know, Brexit is already in the process of being implemented and the question is whether the United Kingdom (UK) will leave the European Union (EU) with a "deal" or not. These options are for them to decide but as far as the need for palm oil in the UK, they are not self-sufficient in their supply of oils and fats production and they need to import palm oil. The UK is good at producing rapeseed oil both for food consumption and biofuel. For that reason, they are producing as much as they could, amounting to almost half a million tons of rape seed oil a year, and occupying a land of the cultivated area of around 1.8 million hectares out of UK's agricultural land of 18 million hectares. The UK has regularly imported about half a million tonnes of palm oil in total on average per year. It is almost the same amount of the rapeseed oil that they produce yearly and therefore it is not likely to change very much whether there is a Brexit or otherwise.

This is simply because the UK needs palm oil for both food and non-food, oleochemicals and biofuel requirement. If Brexit exits with a deal, the EU will impose more alignment for them to conduct their trade relations in order not to disadvantage the EU in terms of competition through the UK's other suppliers. However, if the UK exits with no deal, then it is an open option where they will have to negotiate with third country suppliers of palm oil.

This opportunity is still open to the final deal. To make sure that palm oil can continue to access the UK market regularly without too many trade barriers being imposed, it is up to producer countries to take the opportunity to negotiate well in the coming months or in the future to make sure that palm oil continues to enjoy market access and meet the demand. As the UK is dependent on oils and fats imports, we should continue to take this opportunity to improve the palm oil export potential into the UK market.

Dato' Lee Yeow Chor: The UK is not a big market for Malaysian palm oil. I believe the UK will now be freer in their perspective on trade. They should have a more global outlook instead of a Eurocentric outlook on trade. It's a very good platform for Malaysia to leverage our position as a member of the Commonwealth. As you know, the Commonwealth consists of about 57 countries which is linked to the UK for various historical reasons. This can be a good platform for Malaysia to open up more into the UK market by being a member of the Commonwealth. Plus, we know that sustainability and responsibility in the production of palm oil is always an important criterion for a European country like the UK. In that respect, we can draw on the membership in the Commonwealth. By saying that we practice a similar legal system. After all, we have a very good system for complying with various environmental protection laws on labor rights and also on workplace safety. We can promote our accessibility criteria on the aspect of the production of palm oil and I believe that would be a very good platform for us to penetrate the UK's palm oil market.



2. Recently, Roundtable on Sustainable Palm Oil (RSPO) revealed strong growth in sustainable palm oil certification. In your opinion, will the companies' interest in going sustainable refute the EU's accusations toward the palm oil industry in a long run?

Tan Sri Datuk Dr. Yusof Basiron: The sustainable palm oil certification has achieved almost 20% certification of all palm oil produced in both major producer countries like Malaysia and Indonesia. This is the amount of certified palm oil available and is already existing for many years. However, the import into the EU is only half of the amount of about 10% of production from Malaysia and Indonesia. That means sustainability of palm oil supply is not a problem. If there is still a view of the EU's questioning palm oil's sustainability in the long run, it must be a different agenda. It's not about the availability of sustainable palm oil because it is already available in a big amount which is double the demand of the EU. The EU is moving on to impose more compliance in their new "green deal" agenda and will be using this opportunity probably to improve their protection of their own oilseed industry. This issue of sustainable supply of palm oil would have been solved a few years ago because we have the sustainable palm oil certified ready to supply all the requirements for the EU but that doesn't seem to quench the inquisition on palm oil being linked to all kinds of allegations.

Dato' Lee Yeow Chor: The Roundtable on Sustainable Palm Oil (RSPO) has been formed roughly since 2006. The growth in the sustainable palm oil certification was strong during the first 10 years. However, for the last five years, the certification has slowed down and it is for a good reason. As in terms of statistics, the RSPO certifications' percentage of the global production is about 20%. Thus, it occupies a volume of about 17 million tons. Nevertheless, less than half of this volume has been taken up so only about 6.5 to 7 million tons have been purchased as CSPO where certain premium was paid for all the efforts in certifying it. As RSPO is a global organization and multi-stakeholder where palm oil growers, processors, food companies, retailers, and

even NGOs wish to join. Thus, the RSPO seems to be a robust organization. Yet, there are certain environmental NGOs that are still criticizing the RSPO standards. They criticized that the standard is not stringent enough. Few food companies misuse the consumers' perception of palm oil by influencing European consumers that palm oil is bad because of its saturation. These companies misuse their consumer sentiments and label their products as No Palm Oil. Some cynicism surrounding RSPO certifications but I believe that in the long run, palm oil will be widely accepted.



3. Malaysia relies on workers from Bangladesh and Indonesia for its plantation workforce. What are the government/association initiatives to help the companies on labor shortage?

Tan Sri Datuk Dr. Yusof Basiron: The recruitment of foreign labor will be considered again after the lifting of the temporary freeze of recruitment but in the meantime, it is also important that the available labor from local sources would be considered for the plantation work. It is because the price of palm oil is high and with higher revenue, there should be more capability to employ local labor by giving a good incentive. There is an economic argument about labor shortage because the industry is in the business of employing more resources to make more revenue. Therefore, such management issues will come in to help solve some of these shortage problems.

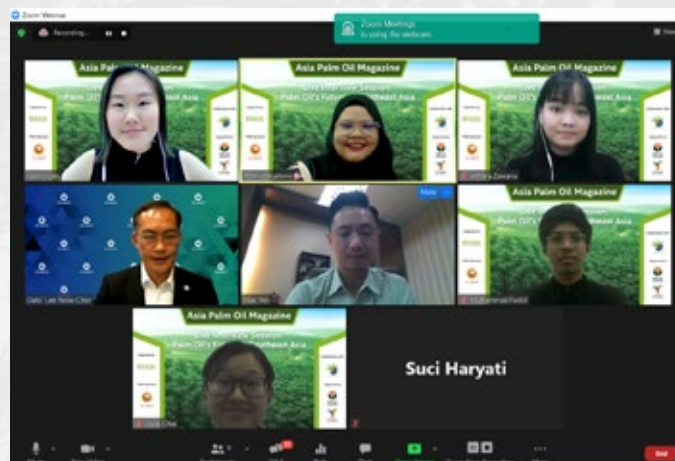
Dato' Lee Yeow Chor: Just about a couple of weeks ago, the government announced the labor recapitulation plan which allowed four sectors, and plantation is one of them, to recruit the undocumented foreign workers. The government has allowed this as a sort of a stock gap measure for sectors like plantation to get more workers. The industry players understand that the government wishes to control the amount of incoming foreign workers to control the spread of the COVID-19. The Teratai cluster happened among the foreign workers and one of the common reasons being stated is that the workers' dormitory

is crowded and not up to a certain standard. The oil palm plantation is quite different from the environment in the cities. The plantations comply with the minimum standards of housing regulation since the 1970s. The housing that they provided for the workers is semi-detached houses with plenty of open lands and not in crowded places. These standards are even better than low medium-cost houses. They apply the amount of labor to land ratio so it's much easier to maintain physical distancing in that sort of environment. Therefore, we should be given a more favorable condition to the labor as if we can follow the Standard Operating Procedure (SOPs), the risk of spread will be very much under control.



4. What is your view on the utilization of Industry 4.0 (IR4.0) in the palm oil industry such as on the mill, plantation, and market?

Tan Sri Datuk Dr. Yusof Basiron: Industry 4.0 is all about the digital transformation of any industry in the value chain creation process. So, how do we run our business to make more revenue through the use of digital systems? It's already practiced in the palm oil industry for example, in the selection of seedlings for high yield attributes. To increase the yield, we are only planting high yielding palms and the selection process to determine high yielding palm which is already spearheaded by industry. It resorts to using a genomic selection process of the seedlings by identifying the gene sequence that is holding the key to the high yield. This genome selection is from biogenetic technology which uses a lot of data to select seedlings. It is a new phenomenon and has already been shown to work very well in producing high yielding palms. These have already been planted and more of them will be planted in the coming years. This is one instance of industry 4.0 being applied to the palm oil industry.



Nevertheless, there are many more in the supply chain where estates in managing the supervision of harvesting, fertilizing, and so on would be already recording data using handheld devices. These would be linked or downloadable to the main computer in which the supervision process can be monitored from afar. Again, this saves time and labor. This implementation of Industry 4.0 is already in action in the palm oil industry especially in the estate data collection. The actual use of data and monitoring through digital means is already ongoing, so that we have mills performance dashboard at the HQ of various companies, displaying live performance. It will tell how mills are performing, the production at the end of the day, and the cost and quantity of the oil produced.

The market end of the value chain system for track and trace in transportation is already digitalized and similarly for the origin of the oil or traceability. The companies have developed dashboards for the public or the concerned parties to be able to look at the traceability of the oil from the time it comes through the company plantation. These are a few examples of how digital transformation has been adopted into the value creation process of palm oil. Hopefully, in the future, blockchain technology will become more relevant to be adopted especially in the marketing of palm oil.



Dato' Lee Yeow Chor: Recently I've been recognized with the award of Digital Transformation CEO of the Year for Malaysia by the International Data Corporation (IDC). This is a good recognition to uplift the image of palm oil sector to a progressive and digitally advanced industry. The oil palm plantation uses a lot of foreign labor and most of them are semi-skilled. Thus, to embark on the sensors, artificial intelligence and robotics require a basic step. The mechanization or evacuation of the crop will improve the efficiency to reduce the time for crop evacuation. The use of drones and so on are routine for some companies in the plantation industry in the effort to modernize the industry. IOI Group has also been applying drones for the last five years or more. We use drones for mapping the block boundaries and plantation density. For the next stage, we plan to use a drone to monitor the plant growth and to detect any disease by looking at the color of the palms. This digitalization combined with drones has great potential for us to go into the area of precision agriculture which will increase the productivity in the plantations and reduces the utilization of labor.

5. Is there any course of action to spread the acknowledgment of palm oil's benefit and the road to sustainability to the consumers?

Tan Sri Datuk Dr. Yusof Basiron: There are many courses of action that should be undertaken because the good properties or attributes of palm oil will potentially show a lot more of the benefits as opposed to its disadvantages. Therefore, the process of improving awareness to the consumers must continue extensively and intensively. It is in the course of what we call continuous improvement which is a part of the pillars even for sustainability principles and criteria. The principle of continuous improvement means that we continue to use science-based information or tell the truth based on the science of what palm oil is all about in terms of the benefit and so on. It is to share the information on what palm oil benefits are through R&D. This is the best way to counter the negative claims against palm oil.

We must comply with the requirements of the consumers as consumers nowadays are already making demands or requirements on producers on sustainability. Thus, complying with sustainability is no longer a choice but already a necessity. Producer countries like Malaysia and Indonesia have their sustainability certification system to help promote the concept that the consumers are kings who wish that producers can ensure the sustainability of palm oil. If we can do this, it becomes subconscious awareness of the good attributes of palm oil. We have been promoting the good values and benefits of palm oil for many years and the world knows this.

Dato' Lee Yeow Chor: We can categorize consumers into two different groups; consumers in the developing world or emerging countries which include Malaysia and Indonesia, and another group of Western consumers. Consumers in developing countries already aware of palm oil's benefit. These consumers appreciate the nutritional value and are aware of the social-economic impact of palm oil. However, consumers from the developed country are all on the environment with influence from the younger generation. There are a lot of environmental NGOs that publish outdated research and reports that sometimes manipulate the findings to suit their agenda. These reports overemphasize the effects of deforestation and carbon emission from peat and the loss of wildlife. The total area under oil palms cultivation as a percentage of the global agricultural production is only less than 2% which can't contribute to deforestation. The carbon emission is on a global scale and the research and reports they use are very outdated circa 1980s to 1990s.

It's difficult to change the perception of the western consumers which have been brain-washed since young. However, I'm confident that in a long run, palm oil will play a major and positive role simply because of one fundamental fact that palm oil can feed the growing world population projecting to 9 billion by 2040.





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AN INSIGHT INTO PALM OIL'S REFINERY SECTOR DURING COVID-19 PANDEMIC



MOHAMAD ISMAIL ABU BAKAR

EXECUTIVE DIRECTOR, MANUFACTURING
DEVELOPMENT (RESOURCE) OF MALAYSIAN
INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

Having served in MIDA since 1996 in various leadership positions, he is currently the Executive Director for Manufacturing Development (Resource), responsible to oversee three (3) Divisions, namely:

- Chemical and Advanced Material
- Life Sciences & Medical Technology
- Food Technology & Resource-Based Industries

OTHER CONTRIBUTIONS IN VARIOUS POSITIONS HELD

Mr. Mohamad Ismail is also passionate in sharing about Malaysia and the vast investment opportunities in the country that investors can leverage upon to expand and grow their businesses. He served two terms overseas, heading MIDA's international office in Dubai as Director during the period of 2008 to 2011, after serving as Assistant Director at MIDA Chicago (2001-2006). Notably, he was responsible to set the ground work and open the MIDA Dubai office, as well as actively scouting, attracting and facilitating investments from regions under his care.

AWARDS

- Excellence Service Award 2000



1. Briefly explained on how MIDA assists the refinery sector of the Palm Oil Industry in maintaining a sustainable growth?

- In Malaysia, the government together with large and small palm oil producers are working hard to protect national resources from wildlife to forest and their livelihoods.
- The midstream and downstream sectors of the Palm Oil Industry in Malaysia need to further strengthen its current on-going good public and private partnership.
- Companies need to fully support the government initiatives such as the Malaysian Sustainable Palm Oil (MSPO) certification program. To date, refineries lead the certification of the palm oil processing facilities in Malaysia with almost 90% of the refineries already MSPO certified.
- MIDA will continue to reach out to the companies for inputs and feedback on new or changes to current regulations and policies to be introduced and continues to provide assistance and facilitation.
- MIDA is an investment promotion agency, the pre-eminent preferred investment destination, Malaysia's cutting-edge, dynamic and pioneering force in opening pathways to new frontiers around the globe including to build dynamic and sustainable investment ecosystems.
- MIDA evaluates the following applications for projects in the manufacturing sector and selected services sub-sectors:

- ✓ Manufacturing licenses
- ✓ Tax incentives
- ✓ Expatriate posts
- ✓ Duty exemption on raw materials and components
- ✓ Duty exemption on machinery and equipment for the agricultural sector and any selected services sectors
- ✓ Regional establishments

2. Do share with us on MIDA's approach in helping companies in the Palm Biomass Sector.

- As the world's second largest producer and largest exporter of palm oil, this is an opportunity for Malaysia to capture. However, it will require significant coordination and cooperation among multiple stakeholders. The development of partnerships is critical for mobilising the biomass and the government has introduced incentives and strategies to encourage the development as a result of this National Biomass Strategy.
- MIDA continues strengthening its delivery system for the ease of doing business for investors.
- MIDA also support the biomass company by granting companies a Manufacturing Licence under the Industrial Coordination Act 1975 (ICA 1975) and various grants such Domestic Investment Strategic Fund (including DISF Industry4WRD), Intervention Fund and Smart Automation Grant.

3. Does the recent import ban by the United States affect the Refinery Sector?

- In terms of trade, Malaysia Palm Oil Industry does not significantly impact by the import ban as United States is not the major importer of Malaysian palm oil whereby Malaysia's major importers of palm oil are China, India and Netherlands.
- In 2020, Malaysia exported over 540,000 metric ton of palm oil to the United States, reduced by 0.3% from 2019.
- Of the total, 5% of Malaysia's palm oil is for the United States market.
- However, the import ban could prove to be devastating for the long-term good image of the Malaysian Palm Oil Industry especially when the US Customs and Border Protection took a drastic punitive action based on unsubstantiated allegation by an NGO.
- The unwillingness by the American agency and the NGO to engage on a civil discussion to confirm the issue and allow the relevant parties to work on rectification programs have given the impact to this industry in general.



4. COVID-19 has caused devastating consequences to the Palm Oil Industry. How does the downstream sectors affected by this situation? What are MIDA's approaches in helping the companies that are struggling due to this situation?

- The pandemic may impact global markets, disrupt supply chains and economies, while also triggering a global recession that could also **impact the supply and demand** of the palm oil worldwide.
- As food product, palm oil generally has the resilience to ride out the pandemic especially when countries reopen their economy, recover from lockdowns and restock their food supplies.
- However, the movement restrictions on labour, has impacted the upstream sector directly where it has seen reduction in productivity of crude palm oil and **creating a ripple effect on the downstream sector**.
- A public-private smart partnership is a form of collaboration to further develop and enhance the upstream sector and reduce the labour-intensive agricultural process for plantation sector.
- The downstream of palm oil sector are depending on the supply of raw material from the upstream sector. Therefore, it is important to ensure a sustainable supply of raw material for the palm oil based production.

- In the short term, the government can assist by keeping crude palm oil in the country, ensuring and maintaining the supply of value added processing in the Malaysian palm oil downstream sector.
- MIDA has been actively involved in proposing and recommending to government through our Malaysia's annual National budget and in several Stimulus Packages that were recently announced such as PRIHATIN and PENJANA to mitigate the impact of COVID-19.
- For instance, the recent stimulus packages have included MIDA's proposals such as the enhancement of Domestic Investment Strategic Fund (DISF), the establishment of Project Acceleration and Coordination Unit (PACU) which is tasked to provide end-to-end facilitation for projects approved by the National Committee on Investment and PACU@MIDA is part of the government's initiative that can revitalise the economy and bring benefits to stakeholders, the Relocation Incentive to encourage foreign manufacturing companies to relocate to Malaysia, Fast Track Approval for Manufacturing Licence (ML) and Smart Automation Grant (SAG).
- Industry4WRD DISF has been introduced in Budget 2019 to assist companies that have undergone the Industry4WRD Readiness Assessment programme to migrate to **Industry Revolution 4.0 (IR4.0)**.
- The assessment is to **assess their capabilities and readiness in IR4.0 technologies**. Company must adopt the IR4.0 technology pillars big data analytics, cloud computing, augmented reality, cyber security, artificial intelligence, additive manufacturing, system integration, simulation internet of things (IoT), autonomous robots, advanced materials.
- It will also benefit companies to **identify the gaps and areas of improvement** for Industry 4.0 adoption as well as **opportunities for productivity improvement and growth** and **develop feasible strategies and plans** to perform outcome-based intervention projects.
- The grants are for modernization/upgrading facilities & equipment, research and development activities, training and obtaining international standards and certifications.

5. Could you elaborate more on the government incentives which is the Industry4WRD Domestic Investment Strategic Fund (DISF) for palm oil players?

How does it benefit the companies that have undergone the Industry4WRD Readiness Assessment, especially for the downstream value chain?

- MIDA encourage the Malaysian palm oil industry to apply for the Industry4WRD Domestic Investment Strategic Fund (DISF) especially in the **downstream value chain** such as oleochemicals, food-based products and phytonutrients (supplements).
- Strictly complied with the SOP recommended by the KKM/Health Ministry. To provide safe and proper accommodation for the foreign worker to avoid the infection.
- The palm oil players are urged to adapt the new norm and new business model driven by the COVID-19 scenario after experiencing a **slowdown in exports and prices** due to the pandemic.
- The key to survival is **keeping operating costs down** and able to **manage the supply well**.

6. What is your advice to the palm oil players with the current economic situation caused by the pandemic?



Palm Oil Extracted From Vitamin E Useful In Boosting Immune Response



Vitamin E extracted from palm oil helps in boosting the immune response of the body, suggest the findings of a study conducted on mice liver cells.

Palm oil contains abundant quantities of vitamin E compounds, which include tocopherols and tocotrienols. These compounds have antioxidant effects, which protect cells from damage from toxic chemicals produced by metabolic processes. While tocopherol is a widely known and researched compound, there remains much to learn about tocotrienols.

A team of researchers from Malaysia and Libya recently investigated the effect of tocotrienols extracted from palm oil on mice liver cells. The team investigated the expression levels of genes influenced by a transcription factor Nrf2, and the translocation of the same factor into the cellular nucleus. Nrf2 is known to upregulate phase II drug metabolism in reaction to metabolic processes. The genes activate cellular defense mechanisms.

“Our study is the first in vivo study on the effect of tocotrienols on Nrf2 on genetic material in the nucleus,” said Azman Abdullah (Universiti Kebangsaan Malaysia), corresponding author of the study.

The team observed that the translocation of Nrf2 in mice liver cells is both dose dependent, and functionally relevant.

“We observed that the maximum effect of Nrf2 translocation into the liver cell nucleus after administration of the palm oil extract occurred in 60 minutes of administration,” said Abdullah. “The increased concentration of liver nuclear Nrf2 corresponded with increased transcript levels of several Nrf2 regulated genes,” added Abdullah.

Palm oil is an economical source of vitamin E, and several studies have shown the beneficial effects on the immune system, which include anti-oxidant and anti-cancer activity as well as cytoprotective actions. Researchers hope that these findings pave the way for easily available remedies for a variety of diseases. The current study is published in Current Pharmaceutical Biotechnology.



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MPOB WINS CLARIVATE SOUTH AND SOUTH EAST ASIA INNOVATION AWARD 2020

Bangi, 9 December 2020 - Malaysian Palm Oil Board (MPOB) has bagged the Clarivate South and South East Asia Innovation Award 2020 in the Government Research Organization category, placing the research and development agency as the top innovator in Malaysia.

MPOB was announced as the winner of the award at the Clarivate South & South East Asia Innovation Forum 2020, held virtually on 18th -19th November 2020.

“I would like to thank Clarivate for recognising and selecting MPOB as the top innovator in Malaysia under the category of Government Research Organisation. MPOB is honored to receive this meaningful appreciation,” said Dr. Ahmad Parveez Hj Ghulam Kadir, Director-General of MPOB.

“We have developed 704 breakthrough technologies of which 30.7 percent or 216 technologies have been commercialised with the aim to improve the oil palm industry. As the premier research and development institution, MPOB will continue to provide leadership and impetus in developing a diversified, globally competitive and sustainable oil palm industry,” Dr. Ahmad Parveez added.

The awards were given in three broad categories of Government Research Organisations, Academic institutions, and Corporations for each country in the region. Besides MPOB, Clarivate also awarded the same Award to Universiti Kebangsaan Malaysia and Petronas for the Academic Institution and Corporations categories, respectively.

Clarivate South & South East Asia Innovation Forum 2020 acts as a unique platform for senior leaders in organisations to share best practices and transformational initiatives to stimulate IP creation and its growth and discuss challenges encompassing the same. This edition of the event focused on “Innovation in Digital Age”.



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Meet Our Exhibitors



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World Palm Virtual Expo & Conference 2020



INTRODUCTION

World Palm Virtual Expo & Conference 2020 was a 3-day virtual exhibition and conference that brought together an international congregation of both upstream and downstream palm oil experts to share the first-hand information and industry developments. It was a 3-day live event with the key highlights of live chat, live conference, live business networking, and virtual meetings. The opening ceremony of the World Palm Virtual Expo & Conference 2020 was followed by the keynote address by the Director-General of Malaysian Palm Oil Board (MPOB), Dr. Ahmad Parveez which covered the topic “Overview of the Malaysian Palm Oil Industry during the Pandemic and the Route to Recovery”.

There were 16 conference tracks with over 24 insightful sharing sessions from the local and international experts across Southeast Asia for the Knowledge Exchange at International Conference & Technical Presentation. Visitors may watch ON-DEMAND playback which was available until 26th December 2020. The Online Business Matching was dedicated to assisting the buyer-supplier business matching and the industry peers to unleash more business opportunities by connecting the suppliers with 281 international buyers across the 3-day live event. The World Palm Virtual Expo & Conference 2020 also conducted a Live Interview Session titled Palm Oil's Future in Southeast Asia.



KEY HIGHLIGHTS

Live Interview Session: Palm Oil's Future in Southeast Asia



Tan Sri Datuk Dr. Yusof Basiron



Dato' Lee Yeow Chor

The Live Interview Session titled Palm Oil's Future in Southeast Asia was a collaboration with Asia Palm Oil Magazine which bought two influential figures in the palm oil industry, Tan Sri Datuk Dr. Yusof Basiron, the Executive Director of Council of Palm Oil Producing Countries (CPOPC) and Dato' Lee Yeow Chor, the Chief Executive of IOI Corporation Berhad and also the Chairman of the Malaysian Palm Oil Association (MPOA) to share the insight on the current issues surrounding the palm oil industry across Southeast Asia. It's a 50 minutes interview session with over 100 attendees supported by CPOPC and MPOA with YKL Group of Companies as a title sponsor. It was a compelling discussion and knowledge sharing which covered the key highlight of Brexit, labor shortage, and the speakers' view on the utilization of Industry 4.0 (IR4.0).



Indonesian Palm Oil Industry 2020 and Future: Insights to the Industry



Mr. Derom Bangun

The Indonesian Palm Oil Industry 2020 and Future was a 15 minutes conference with Mr. Ir. Derom Bangun. He served as the Chairman of Indonesian Palm Oil Board (IPOB) until 14th December 2020. He was also the Chairman of Gapki, Indonesian Palm Oil Association from 1999 to 2009 and the second Vice President of Round table of Sustainable Palm Oil (RSPO) from 2004 to 2010. He served as a member of the World Bank External Advisory Group on Palm Oil Strategy Development in 2010. He has made presentations at palm oil conferences in Malaysia, India, Germany, and Ivory Coast. In his talk during the World Palm Virtual Expo 2020, Mr. Ir. Derom Bangun highlighted on the development of the palm oil industry in Indonesia, Indonesia's production and distribution of biodiesel, and consumption in 2020. He mentioned on his thought on the palm oil's future in Indonesia, which one of the issues that he highlighted was to intensify research for development of downstream industry and higher yielding planting material. On his last note, he touched on smallholders and farmers' participation in the palm oil industry which he emphasized on farmers' association that are already better organized and which they are aware of the negative campaign vested by few radical NGOs.

SUMMARY

World Palm Virtual Expo & Conference 2020 attracted multi-level buying teams, with broad representation across all levels, functions, and industries and also a highly influential audience from every segment and sector of the global palm oil industries. It includes palm oil estate owners, millers, processing planter, refiners, plantation, and other adjacent markets. It's expanding to meet the needs of an increasingly interconnected and global palm oil industry. Attendees were interested in a broad range of industries, technologies, and products from across the extended palm oil supply chain with diverse, but interrelated interests.

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