

# ASIA PALM OIL

PALM OIL INDUSTRY AND TECHNOLOGY NEWS

## COVER STORY

Interview with  
**DATUK KHAIRUDDIN BIN TAN SRI MOHD HUSSIN**

*Chairman of The Asia Pacific Biogas Alliance (APBA)*



**HIGH TECHNOLOGY OF FERMENTOR TANKS FOR THE MAKING OF IBG BIOFERTILIZER**

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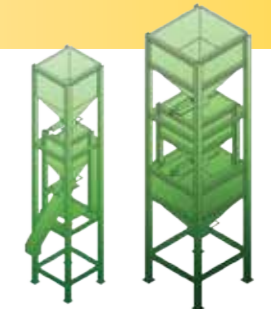
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# Editor's Message



July is here, which means that PALMEX Malaysia 2018 is just around the corner. We are very excited to be bringing this edition of the all-time industry favourite, Asia Palm Oil Magazine to Sibul, Sarawak and Krabi, Thailand.

In this issue, Datuk Khairuddin bin Tan Sri Mohd Hussin, Chairman of Asia Pacific Biogas Alliance reviews the opportunities for the application of biogas technology in the Southeast Asia region and how would it benefit the palm oil industry. He also highlighted the

limitations faced by the biogas industry. Turn to Cover Story to read more.

the import tax on biodiesel by the European Union, active trade diplomacy launched by the government, retaliation by the U.S. government and the dollar appreciation. Find out more about this under Industry News.

Special thanks to Mr John Whitehead, Asia-Pacific Director of Sales & Distribution of Trimble Geospatial for being our featured interview. Turn to the back for his insight on the disruptive technologies which are significantly impacting the palm oil industry including IOT, Big Data and Robots (or Drones).

As always, many thanks to our contributors and advertisers for working with us. Do continue to send story ideas, events and news items. I promise we look through every one. Hope you enjoy this issue and we'll see you in Sarawak in July.

Thank you.  
Editor,  
Charlyne Lee

This issue also explores the factors supporting the growth of downstream palm oil industry in Indonesia, which includes cut in



**PUBLISHER**  
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**GENERAL MANAGER**  
Charlyne Lee  
charlyne@fireworksbi.com

**PUBLICATION MANAGER**  
Vanny Lim  
my@fireworksbi.com

**MARKETING COMMUNICATION**  
Nur Izyan binti Dzulkifli  
izyandzul@fireworksbi.com

**CREATIVE**  
Fifi Amira

**BOARD OF DIRECTORS**  
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Susan Tricia

**CONTRIBUTORS**  
Lintramax (M) Sdn bhd

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C-08-05, Block C, Colonial Loft,  
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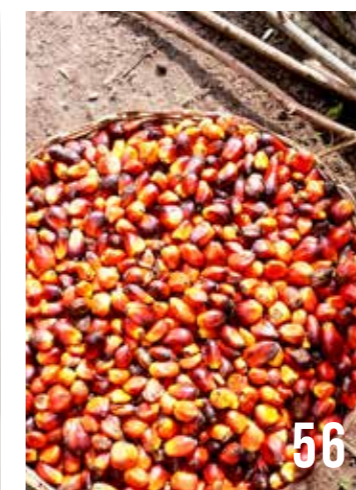
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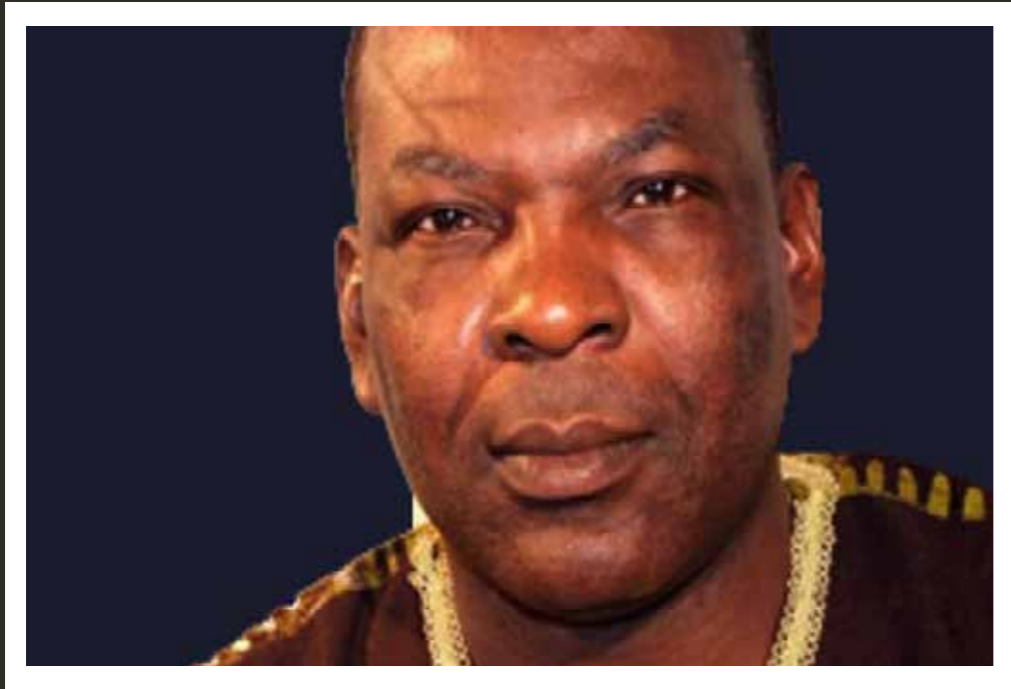
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# ERA/FOEN FLAYS UNCONTROLLED RSPO CERTIFICATION OF OIL PALM PLANTATION OWNERS



» Executive Director, Environmental Rights Action/Friends of the Earth Nigeria, Dr. Godwin Uyi Ojo

Environmental Rights Action/Friends of the Earth (FoEN) group has cautioned against the indiscriminate issuance of Roundtable on Sustainable Palm Oil (RSPO) certification. The group urged the Federal Government to check the certification to large-scale oil palm plantations owners in Edo State and across the country.

Its Executive Director, Dr. Godwin Uyi Ojo, spoke yesterday at a workshop/media conference on certification. He described the current situation by multinational firms, as a false land grabbing and inhumane activities

against communities. He added that the fragrant issuance was also dangerous to deforestation.

Uyi Ojo urged the Edo State government to revoke all previous certifications in the interest of the affected communities and their livelihoods. He cited the three local government councils mostly affected by these activities to include Ovia North East, Ovia South West and Ujunwonde areas. He also urged government to stop all forms of oil palm plantation expansions that are detrimental to community farmlands, biodiversity hotspots and historical sites.

The executive director tasked the multinational firms operating in the state on respect for communities' informed consent in the development of acquired land. He further called on multinational firms to follow due process of the mandatory EIA, with the full involvement and participation of local people and the public. RSPO was established in 2004 to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

Source: TheGuardian



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∨ Palm oil fresh fruit bunches  
(ANTARA PHOTO/Rahmad)

# DOWNSTREAM PALM OIL INDUSTRY GROWING



told reporters and a monitoring team from the Energy and Mineral Resources (ESDM) Ministry.

He said based on the checking of the locomotive, there should be no problem using B20 fuel in the operation of the Palembang unit of PT Kereta Api Indonesia (KAI).

Based on the CO emission test, B20 is more environmentally friendly than pure diesel oil.

With this encouraging development, B20 could be permanently used for the locomotives of PT KAI, he said, adding, Indonesia would be the first to use B20 fuel for locomotives.

Paulus also said the decision of WTO which favored Indonesia against the EU anti dumping policy is great victory for Indonesian palm oil industry.

In addition the European Commissioner has sent a signal that it would not back up the palm oil resolution of the European Parliament, prompting a number of Indonesian biodiesel producers to start studying exports of that commodity to Europe after exports had to stop in the past several years.

"It is predicted that Indonesia's biodiesel exports to Europe would reach 500,000 kiloliters this year" - he said.

The country has also exported biodiesel to other countries but small in volume, he added.

Source : AntaraNews.com

The Indonesian Federation of Vegetable Oil Industries (GIMNI) said the country's downstream palm oil industry grew positively including in vegetable oil, oleochemical and biodiesel industries.

Executive Director of GIMNI Sahat Sinaga said there are a number of factors supporting the growth of downstream palm oil industry including a cut in the import tax on biodiesel by the European Union, active trade diplomacy launched by the government, retaliation by the U.S. government again a number of countries including China, Mexico, and the European Union (EU) and the dollar appreciation.

"These factors have brought in fresh air for palm oil trade in global market," Sahat said a gathering between the media people the Association of Downstream Palm Oil Industries grouped in the Federation of Vegetable Oil Industries (GIMNI), Indonesian Association of Biofuel Producers (APROBI), Indonesian Association of Oleochemical Producers (APOLIN).

Meanwhile, General Chairman of APOLIN Rapolo Hutabarat, predicted that the country's oleochemical exports would grow 22 percent to 4.4 million tons, from 3.6 million tons last year.

Increase in oleochemical exports followed growing global consumption of oleochemicals for the cosmetics industry, tire industry and oil drilling industry and other manufacturing industries.

Export grew with the new investment by oleochemical producers like PT Energi Sejahtera Mas and Unilever, he said.

In 2017, the country's exports of oleochemicals were valued at US\$3.3 billion in 2017.

This year, exports are expected to rise to US\$3.6 billion. In the first quarter of this year oleochemical exports totaled 1.1 million tons valued at US\$915 million.

Sahat said cooking oil will no longer sold in bulk, adding, the process of transition from bulk to bottling is expected to be wrapped up in 2019.

"In 2020, there is no more cooking oil sold in bulk", he said.

In 2018, domestic consumption of cooking oil is predicted to reach 12.759 million tons, up from 11.056 million tons in 2017.

Most of palm-oil consumption in the country is for food -- 8.414 million tons for

food and specialty fats; 845,000 tons for oleochemical and soap noodle, and 3.5 million tons for biodiesel.

Paulus Tjakrawan, the chairman of APROBI, said biodiesel consumption in the country this year is predicted to rise 500,000 tons.

The prediction would be a reality if the use of non subsidized biodiesel is as expected including in the use of biodiesel in mixture with diesel oil to fuel locomotives and mining heavy equipment.

"If B-20 is used for railways, domestic consumption of biodiesel could increase by 200,000 to 500,000 kiloliters," Paulus said.

B-20 (a mixture of biodiesel 20 percent in diesel oil) has been used to fuel the locomotive of the train of the state-owned railway company (PT KAI) serving the Palembang-Lampung track.

Head of the unit of Locomotive Depot of Tanjung Enim Batu Nurdin said there was no problem in the locomotive of the railway after using B20 fuel in the operation in the last three months.

There was no difference in the performance of the engine when using B20 from when it used 100 percent diesel oil, Nurdin



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# WILMAR READIES FOR THE MSPO

**W**ilmar International Limited (Wilmar) has developed and rolled out an online reporting tool to assess the readiness of its suppliers in Malaysia, in view of the MSPO (Malaysian Sustainable Palm Oil) national certification becoming mandatory at end of 2019.

Adapted from an original questionnaire developed by The Forest Trust (TFT) for the palm oil sector, by responding to questions about sustainability practices, the Supplier Reporting Tool (SRT) allows mill suppliers to measure their existing performance against MSPO requirements and additionally to Wilmar's own No Deforestation, No Peat, No Exploitation (NDPE) policy.

The SRT asks a range of questions pertaining to policy, supply chain, transparency and environmental safeguards such as forest conservation.

The score a supplier receives after inputting information into the SRT determines its readiness for MSPO, ranging from low, medium to high, and provides guidance on actions needed to assist suppliers in meeting both MSPO and NDPE requirements.

Each individual company's SRT report is their own, and they are free to share the report with any stakeholder that needs sus-

tainability compliance information, for example other buyers, auditors or banks.

Since launching the SRT in March 2018, Wilmar has conducted six training workshops nationwide which have been attended by about half of the company's over 260 suppliers in Malaysia.

Wilmar is collaborating with the Malaysian Palm Oil Certification Council (MPOCC), the organisation charged with developing and implementing the MSPO certification scheme, for the latter to also provide support to suppliers.

Wilmar's Group Sustainability General Manager, Perpetua George, said as the world's largest palm oil processor and merchandiser, Wilmar is committed to meet demand from consumers for certified sustainable palm oil by ensuring all suppliers become sustainable.

"The SRT allows us to determine the compliance level of our suppliers and to assist those with lower scores to overcome setbacks that they may have in becoming compliant to sustainability requirements.

This effort was conceptualised to allow us to engage our suppliers, share knowledge and lend support to them in preparing for MSPO certification.

"It will allow Wilmar and MPOCC to identify gaps and deploy resources such as trainings and audit assistance in a more effective manner. It also serves as an internal reporting tool that helps with gap analysis of our own NDPE policy," she elaborated.

Kim Loong Resources Berhad which has mill operations in Sabah and Johor finds the SRT useful in keeping track of its operations in relation to identifying aspects it is doing well in and those that need to be addressed.

Its Deputy Plantation Director, Gooi Chuen Kang, who described the tool as user-friendly, said it was a good start in getting suppliers ready for MSPO certification.

"We are finding this reporting tool helpful in identifying gaps that we need to address.

We do not have a specific unit that handles sustainability and this tool is providing us the information we need.

I believe as this tool is further developed, it will become more useful.

"We are also keen to see if we can in future use this tool to engage with our own suppliers as well," Gooi said.

For Wilmar's suppliers outside Malaysia, the SRT will include the relevant national standards apart from the NDPE policy requirements.

Wilmar has also implemented a customised version of the SRT focusing on smallholders in Latin America.

Another version for Indonesia is expected to be ready in July 2018.

Source: Daily Express



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# UPDATE 1

## MALAYSIA STATE PALM OIL AGENCY FELDA SAYS CHAIRMAN STEPS DOWN

The chairman of Malaysia's state palm oil plantation agency, the Federal Land Development Authority (Felda), has resigned, an agency spokesman said on Monday, confirming earlier reports.

The move follows shock election results in which the coalition that has ruled the country for six decades was defeated.

"Effective today I resign as the chairman of Felda. My resignation letter has been sent to Mahathir Mohamad, the prime minister of Malaysia," Shahrir Samad said in a statement released on Monday evening.

"Seeing as I was elected as Felda chairman by the previous government, it is only fair for me to resign in an institution led by a new government."

Shahrir, a former federal minister, was appointed as Felda's chairman in January 2017. Malaysia's palm oil settlers, oil palm farmers working for Felda, have been grappling with rising costs of living and high debt levels due to insufficient incomes.

Both Mahathir's alliance and the coalition led by ousted prime minister Najib Razak campaigned vigorously in Felda settlements leading up to the polls held last week, with both parties promising to improve living conditions and erase debts.

Felda settlers form the majority of voters in at least 54 of the 222 seats in the national parliament, and have been pivotal in the former ruling coalition winning every election since Malaysia's independence in 1957.

Source : Reuters



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Malaysian Palm Oil Council (MPOC) Chief Executive Officer Datuk Dr Kalyana Sundram said his team will continue to aggressively market palm oil to other countries in view of the European Union's (EU) decision to end palm oil use for its transport sector by 2030. NSTP photo by NIK HARIFF HASSAN

# MPOC DEVELOPS ALTERNATE MARKETS AS EU PHASES OUT PALM OIL BY 2030

The Malaysian Palm Oil Council (MPOC) will continue to aggressively market palm oil to other countries in view of the European Union's (EU) decision to end palm oil use for its transport sector by 2030.

MPOC Chief Executive Officer Datuk Dr Kalyana Sundram noted on 14th June 2018, the EU lawmakers agreed not to ban palm oil from January 2021 but had proposed to phase out palm oil biofuel by December 2030.

"The EU has stated that palm oil biofuel will be phased out by 2030. The EU will probably re-engage with new demands and we will continue to address these via the EU Commission, Parliamentarians and the EU Council," he said.

He also said MPOC along with other stakeholders will review these conditions to ensure they comply with World Trade Organisation rules and compatible with the EU-Malaysia free trade agreement that could emerge in the future.

He then assured that MPOC will enhance engagement with palm oil consumers in Europe to better understand their specific challenges and requirements while drawing up greater collaborative programmes that will keep them loyal to palm oil.

"We will continue to aggressively develop alternate markets for Malaysian palm oil in the run up to 2030," he told reporters in a briefing here today.

Earlier this year, the European Parliament had called for a total ban on palm oil usage in transportation from January 2021.

The EU felt that it had become too reliant on using palm oil as a feedstock for biofuels over its locally produced rapeseed.

According to data from Copenhagen Economics, half of the EU's 6 billion euros worth of palm oil imports are used for biodiesel.

Malaysia is the world's second largest palm oil producer after Indonesia, and the two nations account for nearly 90 per cent of global output of 60 million tonnes.

Source: [www.nst.com.my](http://www.nst.com.my)

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Myanmar mainly buys palm oil from Malaysia and Indonesia, allowing only "higher quality" supply, while soybean oil and sunflower oil imports are also permitted, according to the ministry's Toe Aung Myint.

Purchases reached a record 820,000 tons in the year ended Sept. 30, according to the USDA. While they are set to decline this year, purchases may rebound 4 percent in 2018-19, the agency estimates.

Myanmar relies on imports to meet its domestic needs and more than half of its edible oil consumption is palm oil, according to Sime Darby Plantation Bhd., the world's top grower by acreage. While there's been a recent slowdown in the country's imports from Malaysia, it "can still be considered as a good prospect for the palm oil market," Managing Director Mohd Bakke Salleh said in an email.

Improvements in infrastructure are yet to catch up to increasing demand. Underdeveloped roads and limited cargo storage facilities at ports drive up logistic costs, impacting margins and delaying deliveries, Sime's Bakke said. Companies also need to take into account political risks and policy inconsistencies, he said.

About 85 percent of palm oil, used as a cooking oil to fry food as well as in chocolate to cosmetics, is produced in Indonesia and Malaysia.

Source: The Edge Markets



# FINGER-LICKIN' CHICKEN DEMAND IN MYANMAR IS A BOON FOR PALM OIL

A fast food boom is luring Southeast Asia's top palm oil producers to Myanmar to meet surging demand in the formerly-isolated state.

Palm oil imports surged 60 percent in the past six years to 750,000 metric tons, according to the U.S. Department of Agriculture. Myanmar previously limited purchases before 2011, when it typically bought about 200,000 to 300,000 tons each year, according to U Toe Aung Myint, permanent secretary to the Ministry of Commerce.

Myanmar's emergence from economic isolation and its untapped potential has attracted foreign companies including KFC, the nation's first western fast food restaurant in 2015. The country now has 23 stores and is on track for 32 by March 2019, according to Singapore-listed Yoma Strategic Holdings Ltd., the franchise partner in Myanmar. There's now also Pizza Hut restaurants as well as a Burger King.

The opening of more fast food chains will boost palm oil demand as Myanmar's food and beverage industry prefers the vegetable oil due to its cost-effectiveness and frying properties, according to Zakaria Arshad, chief executive officer of Felda Global Ventures Holdings Bhd. The company, one of the world's biggest crude palm oil producers, sells palm-based cooking oil under the brand Saji in Yangon and Mandalay.

As well as increasing spending power and changing lifestyle habits, Myanmar's transition to a more market-based economy and reforms to open the country present opportunities for palm oil exporters, according to Zakaria. FGV may expand into selling bulk volumes of palm oil, he said in an email.



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Felda Global Ventures Holdings Bhd (FGV), which has obtained approval to change its name to FGV Holdings Bhd, is undertaking independent forensic audit investigations into its past investments, which are likely to be concluded within the next two months.

One of the ongoing investigations is the group's investment in London-listed Asian Plantations Ltd (APL), which is currently being conducted by a legal firm in London, particularly on the valuation of the land, said FGV chairman Datuk Wira Azhar Abdul Hamid (pic) after its AGM and EGM.

"We don't want to just look at this from an accounting perspective. We also need to look at it from a legal perspective."

"The group is using domestic and international resources to undertake the forensic investigations on APL," he added.

Over the past three years, FGV has done a series of major acquisitions which include APL and Pontian United Plantations Bhd for a combined RM1.82bil. However, he denied that the group was undertaking investigations into Pontian United Plantations.

Azhar discovered that some areas of APL's plantation could not be used for planting oil palm after personally visiting the plantation, adding that there is hearsay information that the land also did not belong to APL, highlighting a serious concern.

"This is a serious matter, but we cannot accuse as the investigations are still ongoing. We have to be thorough in our verification. We paid around RM1.1bil for investments in APL," he noted.

APL owns 24,622ha of oil palm plantations through its five wholly owned estates in Sarawak.

Azhar said the independent investigation would also verify if the group's employees are the culprits of the resulted situation related to APL.

"We don't know whether we have a criminal case but certainly we are looking for a civil case, as we have to wait till we conclude the findings of the investigation. If there are clear and good reasons to file a police report, we will," he noted.

After the purchase of APL in 2014, FGV's former group president and chief executive officer Datuk Mohd Emir Mavani Abdullah said APL represented a fairly priced and value-added deal, with an enterprise value of RM62,358 per planted hectare. FGV also initiated legal action against a subsidiary's client – Dubai-based Safitex Trading LLC – to claim back around US\$11mil owed, according to Azhar.

Apart from this, the group is concerned about Pakatan Harapan's pledge to increase the minimum wage to RM1,500, as it would have a significant impact on its cost of production to an estimated figure of RM165mil a year.

Currently, FGV's foreign workers earn an average salary of RM1,300 apart from the group providing housing, insurance and the levy for foreign workers.

The minimum wage in Peninsular Malaysia is currently RM1,000 while in East Malaysia, it is RM920.

"For every RM100 increase in salary, it will cost the group RM33mil per year. Don't get me wrong, but foreign workers are not cheap. With our wages to workers now, we are almost paying the minimum wage they are targeting," Azhar added.



He said the group was pressured about the earnings for the second half of the year due to lower crude palm oil prices and forex exchange rates, adding that its challenge is the cost of the replanting exercise for its old palm trees to improve productivity. FGV is on track to replant 15,000ha this year.

Meanwhile, a resolution to re-elect a representative from the Federal Land Development Authority (Felda) as a director has been withdrawn after FGV's AGM.

"It has been a very unique situation and it's the first time in my life where I couldn't get a resolution to be seconded. So, I had to take the advice to withdraw the resolution."

"In this situation, we couldn't get a seconder, so we could sense the sentiment. The resolution relates to a representative from Felda," he added.

According to FGV's filing with Bursa Malaysia, the Felda representative who had failed to be re-elected as a director was non-independent, non-executive director Datuk Seri Abu Bakar Harun, who is also the chairman of the Pahang State Felda Affairs Committee. He is also the deputy chief of the Pekan Umno division.

However, one of the resolutions approved by the shareholders was the change in the group's name to avoid confusion between Felda and FGV.

"FGV is purely a commercial-listed entity. We are not the same entity. If there is negative news about Felda, our share price takes a hit. We want to protect our shareholders," he stressed.

Felda has a 33.67% equity interest in FGV.

Asked on the speculation of a takeover of FGV, Azhar clarified that "there has been no proposals put forward, people are just talking. I wonder where this speculation is coming from. But FGV is looking at opportunities to enhance value".

Source: The Star Online



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# KLK TO BUY 95% OF INDONESIAN PALM OIL COMPANY



**K**uala Lumpur Kepong Bhd (KLK) has agreed to buy a 95% stake in an Indonesian oil palm company with plantations in East Kalimantan for about RM300mil.

The proposed acquisition represents an opportunity for the group to acquire a company with brownfield oil palm plantations, KLK told Bursa Malaysia yesterday.

The target company, PT Putra Bongan Jaya (PBJ), was granted in 2009 the right to cultivate 11,602ha of land in Kalimantan Timur for a period of 35 years.

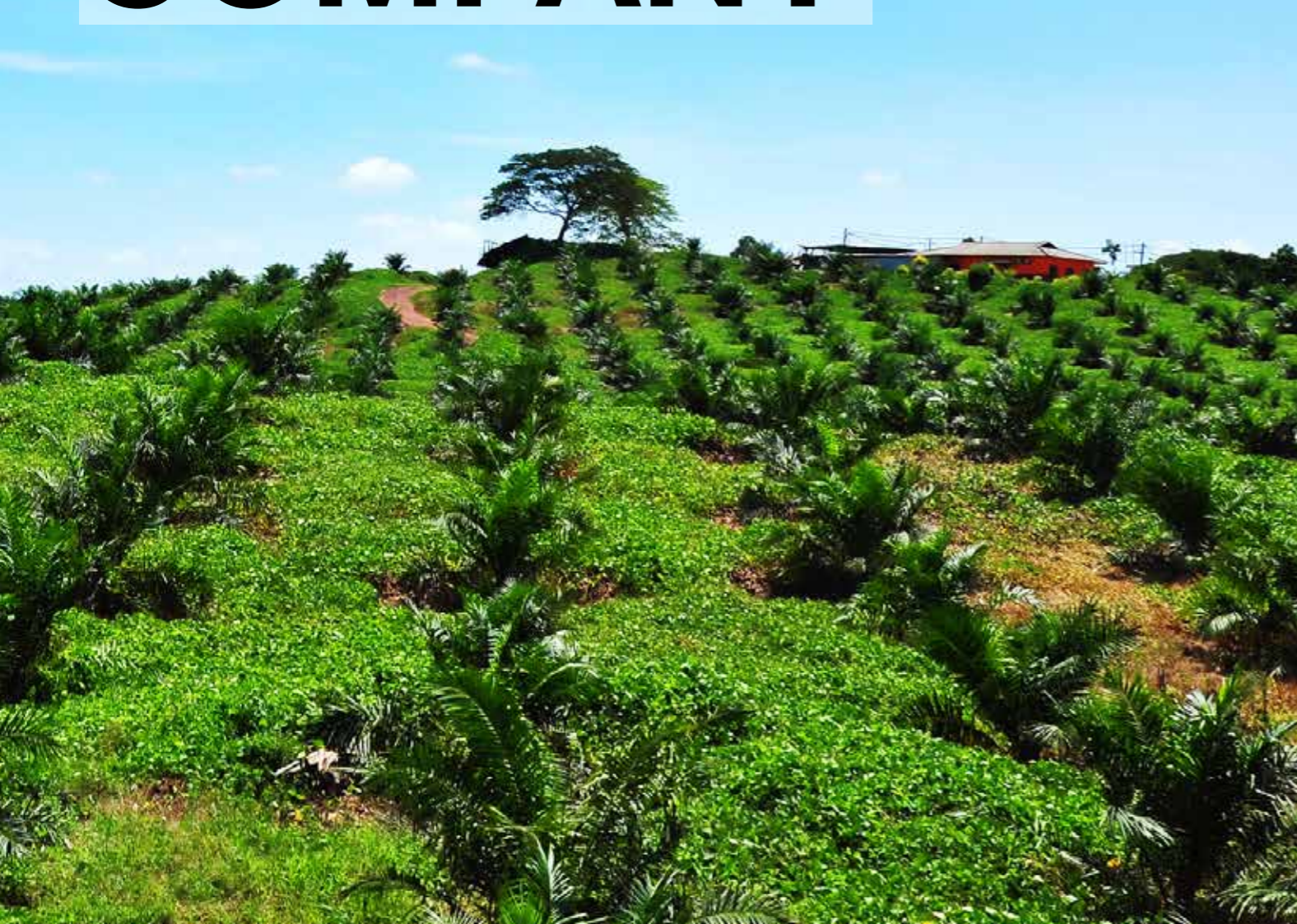
The right, KLK said, is generally renewable for a further period of 25 years.

"PBJ's plantations have been planted with oil palm since 2009. It is projected that approximately 7,500ha would be planted as at completion," KLK said.

The deal values PBJ's land and plantation at US\$80mil (RM-312mil).

The purchase consideration will be based on PBJ's land and plantation value, to be adjusted on the company's working capital and other balance-sheet items.

Source: The Star Online



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# ARE CORRUPT POLITICIANS BEHIND PERU'S PALM OIL PLANTATIONS?

IN RECENT YEARS, PERU'S SPRAWLING JUNGLE HAS BEEN CLEARED FOR PALM OIL AND COCOA PLANTATIONS. CONSERVATIONISTS SAY THE LAND IS CONTROLLED BY PRIVATE COMPANIES WHO ACQUIRED IT THROUGH CORRUPT MEANS.

The Peruvian rainforest isn't what it used to be. Land that just a couple of years ago was covered in the thick foliage of the Amazon jungle has been given over to oil palms. Row upon row, as far as the eye can see. From above, these lucrative trees might give the impression of vast areas of healthy green, but close up, virtually nothing grows between one trunk and another. The indigenous plants are gone, and with them, the animals for whom they provided food and habitat.



Much of the rainforest in the region of Ucayali has been cleared in favor of sprawling monocultures.

The fruit of palms provides oil used in a vast range of products — from cosmetics to biofuel, potato chips and sandwich spread — all over the world.

The situation is particularly drastic in the Ucayali region. Some 13,000 hectares have been cleared for monocultures — largely oil palm and cocoa — in recent years. That's more than anywhere else in the country. Locals living in the heart of the Amazon jungle talk in terms of a massive sell-off that has violently disrupted their once-peaceful lives.

Investigating how this massive shift in land use came about, Proética, the Peruvian arm of the anti corruption NGO Transparency International, repeatedly came across the name of Dennis Melka, a Czech-US investor.

They connect Melka, who made a fortune with palm oil in Malaysia, to a network of 25 companies in which he plays many different roles. The so-called "Melka Group" is complex. According to Proética, the firms in it change their names, are shut down and split up as part of a strategy to get a hold of as much land as possible.

"There is a connection between deforestation, illegal land trade and the corruption of officials," Magaly Avila who runs the climate policy program at Proética, told DW. When she and her colleagues began to explore exactly how the rights to such large areas of land are allocated in Peru, their conclusion was corruption.

### Smoke, Mirrors and Lies

In a report on their findings, Proética said there had been a significant spike in the number of land rights documents regional authorities awarded to private people in Ucayali between 2011 and 2014. A total of 3,500 certificates were granted during that period.

Proética also identified a strategy used by large companies. Politicians who were bribed by companies had often promised land rights to private individuals who then, acting as middle men, sold them on until they were in the hands of the firms. Elsewhere, valid land rights were taken away and farmers were persuaded under false pretences to sell up.



The peace and quiet of life in Peru's rainforest has been interrupted by the arrival of palm oil plantation

"They told me if I didn't sell my land, the state would take it away from me," farmer Walter Muñoz Quiroz said. "They justified it by saying I was not cultivating all the land they'd given me in the way I should have. I didn't know what to do, and I was afraid."

Quiroz ended up selling his land under value. He received around 25 euros (\$30) per hectare. Only later did he find out that he was not required to farm his land in a particular way, and that he had been lied to. But it was too late. His land was gone.

### Palm Oil Plantations As a "National Interest"

In the year 2000, the Peruvian government declared palm oil plantations a "national interest," both because they were seen as an alternative to coca, which as in Bolivia and Columbia, is a dominant crop in Peru, and because of impending fuel-mix legislation under which diesel would be required to contain 5 percent plant oil.

Policymakers planned 50,000 hectares of plantations. But there are now 80,000, and Oxfam fears that by 2021, oil palm monocultures could cover 250,000 of the 1.4 million hectares that offer the right conditions for the crop's growth.

To prevent indigenous communities from becoming overrun by these developments, Proética communicates with members of the judiciary and government representatives and holds workshops for local populations.



The indigenous communities are losing more and more of their native lands to companies. NGOs blame corrupt politicians.

"We want to explain the processes to those who are affected, so we can help them to protect themselves in the future," Magaly Avila says.

One of their workshops was held at Santa Clara de Uchunya, a 200-strong indigenous community on the frontline of the simmering conflict. The Melka oil palm plantations are visible at the far side of the Rio Ucayali, on land the local population once used for hunting. It is now closed to them entirely.

Residents of Santa Clara are asking the regional government for 20,000 hectares of forest they regard as their ancestral lands. They are supported in their struggle not only by Proética but also Robert Guimaraes, president of Federation of Indigenous Communities, who says his fight against palm oil and cocoa companies has put him at serious risk.

### "I've Received Many Death Threats," Guimaraes Says.

Others in Santa Clara say violence is not uncommon. They talk about threats, attacks and even murders in the context of the land conflict. In December 2017, six farmers were found shot dead in a field. There has been no official verdict on whether they were killed for their resistance to palm oil giants, but people come to their own conclusions.



From a height, monocultures look like healthy green foliage, but these neat rows of plants are grown at a huge cost to wild flora and fauna

"The culprits were locals paid by the respective companies," one inhabitant told DW. "If you offer enough money, you'll always find someone."

### No Solution In Sight

Despite the climate of violence, the population of Santa Clara de Uchunya is determined to keep fighting until the government awards them the land rights that would save their jungle from complete destruction.

But given that palm oil demand has increased three-fold since 2002 — to a global consumption of around 62.6 million tons — and how lucrative it is for the Peruvian government, that could be a long time coming.

While they wait, the indigenous community lives with the fear of losing more of their forest. That would pose a very real danger to their way of life. As the village chief, Carlos Hoyos, put it, "an indigenous community is nothing without its land."

Source: www.dw.com



# INDONESIA'S

## Palm Oil Policy Points Way For Nigeria

Indonesia is world's largest palm oil producer and exporter by a mile today. The Southeast Asian country produces 36 million metric tonnes (MT) of palm oil annually, followed by Malaysia, with 21 million MT.

The third and fourth are Thailand, which produces 2.2 million MT, and Colombia, with 1.3 million MT.

The oil palms planted in Indonesia and even Malaysia were said to have been taken from Nigeria, precisely Calaro Estate, in the present day Mbarakom in Akamkpa Local Government Area of Cross River State.

In their work entitled, 'Oil Palm Plantations in Indonesia: The Implications for Migration, Settlement/Resettlement and Local Economic Development', Suseno Budidarsono, Ari Susanti & Annelies Zoomers admitted that the origin of oil palm in Indonesia was the tropical rainforest of West Africa, from mostly independent small farmers with landholdings of up to 7.5 hectares.

Indonesia planned from the late 1970s to make palm oil a major source of foreign exchange earnings, and neither political instability during the periods of Sukarno or Muhammad Suharto nor the era of reforms could change that.

Though early policies were state-led like the case of Nigeria, it was consistent and purposeful. The Indonesian government first established what was known as Nucleus Estate Scheme (NES), through which state-owned plantation firms supported farmers to grow oil palm. The plantation companies provided seedlings, technical assistance and financing to small holders, according to Budidarsono, Susanti & Zoomers, while the output were purchased by the mills.

The policy was linked and integrated with other policy objectives such as population re-distribution through resettlement schemes or transmigration (moving people from densely populated regions to scarcely populated areas), socio-economic progress, regional development, increased agricultural production, employment generation and

political consolidation, among others.

The second stage of oil palm development came between 1995 and 1998. John F. McCarthy, a researcher, explained that this stage was private-sector led and was aimed at facilitating foreign direct investment and accelerating estate crop development.

The state-led model was criticised by the World Bank as unsustainable. The bank had urged the Indonesian government to leave oil palm development to market forces and stop subsidies.

The government eventually heeded the advice, more so because the subsidies were taking a big toll on government revenue.

The Indonesian government introduced what was known as Koperasi Kredit Primer untuk Anggota (KKPA), which was characterised by a more direct private-community partnership model.

This market-led approach opened the door for foreign investors who came in and pumped money into plantations development. Apart from the fact that taxes were low, some of the investors were given tax holidays. There was an emergence of independent smallholder farmers who moved into the oil palm area. In fact, there was massive movement of nationals to designated oil palm areas owing to the influx of foreign investments.

From 1998, Indonesia introduced what McCarthy called 'laissez-faire'. This was characterised by decentralisation, public-private partnerships between market actors and the government, as well as social-private partnerships between market actors and communities.

Existing estates had to enter into partnerships with large, capital-intensive companies willing to invest in labour-intensive oil palm projects.

During this period, farmers gained access to oil palm technology and improved their incomes. The farmers were eventually able to access investment capital, obtaining land certificates, which could be used as collateral for borrowing money from local banks to expand production.



"At a time of rising oil palm prices, many of these new landowners used these accumulated assets to rapidly expand their holdings," Budidarsono, Susanti & Zoomers said, adding that during the later years of the oil palm boom (prior to 2008), these actors were joined by successful KKPA farmers, who were using incomes from productive oil palm holdings to invest in upgrading unproductive land into oil palm plantations.

The outcome of the investments was spontaneous frontier development on the margins of already palm oil plantations.

The results of consistency and lack of undue government interference was that, as of 2011, oil palm plantations in Indonesia covered 7.8 million hectares (ha), out of which 6.1 million ha were productive plantations under harvest.

In 2016, the country earned \$18.6 billion from exporting Crude Palm Oil (CPO) alone. That year, the country produced 31.5 million MT and exported 26.6 million MT, demonstrating an export-led industrialisation policy.

Indonesia has two islands—Borneo and Sumatra—accounting for 96 percent of its palm oil production. Unlike Indonesia, Nigeria's previous oil palm estates are still far from their previous states, except the ones in Cross River, revived by PZ Wilmar, and the ones in Edo, resuscitated by Presco and Okomu.



Nigeria is fifth biggest producer of CPO in the world, with capacity estimated at 900,000MT to 1.3 million MT. The country cannot even satisfy local demand now, estimated at 2.1 million MT.

By 1960, Nigeria supplied 45 percent of the global market, but this position has long been taken by Indonesia and Malaysia. The policies by successive governments in Nigeria since oil boom of early 1970s focused on crude oil, leading to the neglect of oil palm plantations and consequent deaths of oil palm estates in Imo, Cross River, Rivers, Ondo, Abia, Enugu and Ebonyi, among other states.

Currently, the sector lacks funding as the government does not see why it should fund a crop with a long gestation period, industry players complain. Banks are also not ready to lend to the sector, unlike in Indonesia. Moreover, there is no palm oil plan in Nigeria, like there is in Indonesia, casting doubt on the seriousness of this government to develop this crop.

Moreover, smuggling of palm oil is very common today, thereby squeezing the margins of local investors.

"Most of the palm seedlings available in the country are poor. We don't get enough quality hybrid seedlings for planting, which will give us higher yields. We have to source for quality seedlings by importing them," said Brian Hammond, managing director, IMC Limited in an earlier interview with BusinessDay.

The oil palm belt covers 24 states of Nigeria, including all nine states of the Niger Delta and the South-east part of the country.

BusinessDay investigation showed that the once abandoned Adapalm, located at Ohaji, Egbema, in Imo State, is now in full gear.

It is now a joint venture (JV) between Imo State government and VTU, a Vietnam investor, which has so far pumped N300 million into the mills. The JV also involves the Ohaji community, which has a stake in the business. The mill covers 4,300 hectares of oil palm plantations in Ohaji, and it currently produces 30 tonnes of palm oil per hour, BusinessDay found.

The Calaro estate is now a hub of oil palm with PZ Wilmar planting 5,500 hectares of land.

PZ Wilmar, a JV between PZ Cussons and Wilmar of Malaysia, has almost 26,500 hectares (ha) of oil palm plantation in Cross River State, with a plan to increase to 50,000 ha in few years.

Okitipupa Oil Palm Plc in Ondo State is now ready for business after five years of closure, but nothing much is happening in the mills as of February this year when BusinessDay visited.

Already, a multinational oil company Victory Crystal Investment is interested and wants to pump \$13m to resuscitate the mills, BusinessDay was told.

More so, BusinessDay gathered that Araromi-Ayesan Oil Palm, which was a shadow of itself early last year, is now on. It has 10, 468 hectares of plantations and already has a board chaired by Femi Okunniyi.

"Nigeria will need to plant at least 300,000 ha in the near future, which is an investment of over 700 billion naira and it will take us several years," Santosh Pillai, managing director of PZ Wilmar told BusinessDay.

"It is a crop which has a long gestation period, and it takes 3-4 years to yield fruits and 7-8 years to achieve maturity. The industry requires massive investments," Pillai said.

"Nigeria has all that is required to be self-sufficient in palm oil production. Indeed, the country should be amongst the top global producers of the commodity. We have good agro-climatic conditions, manpower readily available, land and the market. Most importantly, the oil palm originated here. Nigeria has a competitive advantage in producing oil palm," he said.

Source: [www.businessdayonline.com](http://www.businessdayonline.com)





# UGANDA BEGINS ALLOTING LAND FOR BIDCO'S SECOND PALM-OIL ESTATE

Uganda began handing over tracts of land for palm-oil production to Wilmar International Ltd.'s local unit, removing the final hurdle for an expansion project that's been delayed for almost a decade.

The government in East Africa's third-biggest economy started allotting the land on Lake Victoria's Buvuma Island in the last quarter of 2017 to Bidco Uganda Ltd., which plans a second nucleus palm-oil plantation.

The state is procuring land on behalf of the company to hasten the process. Uganda imports about 200,000 metric tons of palm oil annually, mainly from Malaysia and Indonesia. Palm oil is used in a wide range of products including food, soap, cosmetics and biofuels.

Bidco expects to receive 4,000 hectares (9,880 acres) for its second plantation, where it will begin establishing nurseries for trees that will start producing in three to four years, according to Managing Director Rao Kodey. The company already has 6,200 hectares of palm-oil trees on Bugula Island.

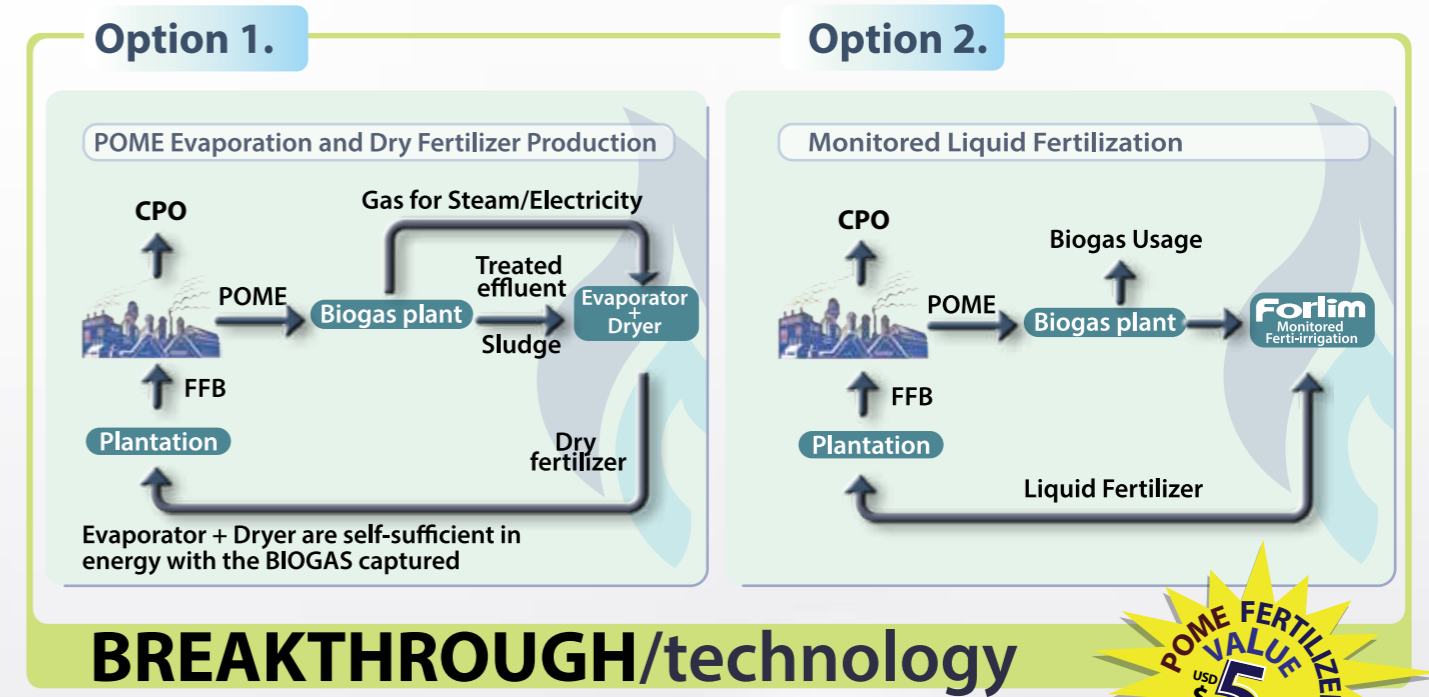
The company partly owned by Bidco Oil Refineries Ltd. of Kenya and Josovina Commodities Pte of Singapore ultimately expects 6,000 hectares of land, he said by phone from Jinja, northeast of Kampala.

"The process involves willing buyer and willing seller," he said, declining to say how much land the company has received so far.

Smallholder farmers on the island may plant a combined 4,000 hectares, he said. That's in addition to another 4,500 hectares by contract growers on Bugula Island. The state-run Vegetable Oil Development Project said in January the government planned to give the company 5,000 hectares for the \$70 million Buvuma farm and refinery project.

Source: Bloomberg

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# NORSWORTHY DEEPENS AGRIC INVESTMENT WITH NEW OIL PALM ESTATE

With its 3,000-hectare oil palm plantation and processing plant, Norsworthy Farms has reiterated its resolve to deepen investments in Delta State and support government's diversification plans with the sector.

Delta State Governor, Dr. Ifeanyi Okowa, during the flag off ceremony, acknowledged investors' renewed interest in the state. "I see this exercise as a good example of private sector participation in the economy. It is really ennobling when private sector organisations partner with government in the pursuit of sustainable development.

"The coming of Norsworthy Farms Oil Palm Plantation Project to Delta State is entirely not a big surprise as the Managing Director/Chief Executive of the company, Gabriel Ogbecchie, is an illustrious

son of the state, whose passion for the development of the state has always been on the front burner.

"With his Rainoil Group already a stabilised venture in the downstream sector of the oil and gas business, Ogbecchie's ambition on how best to use the proceeds from the business for the good of a larger number of Deltans ostensibly propelled him to found Norsworthy as an investment arm of Rainoil Group.

"The investment over time would go a long way to stem the increasing rural-urban migration initiative of the youths," he said. However, Ogbecchie hinted that Nigeria currently consumes an estimated 2.7 million Metric Tonnes (MT) of palm oil, with estimated demand-supply gap ranging from one million metric tonne to 1.7 million, adding that with this shortfall, there is need for additional investment.

He noted that the firm has set the stage for the cultivation of a 3,000-hectare oil palm plantation with a 10-tonne per hour palm oil processing mill and a vegetable oil refinery for producing palm kernel and palm kernel cake for animal feeds.

"This giant stride being undertaken by Norsworthy is largely justified by the fact that palm oil is a key ingredient in the production of several items in the market and these include soap, cosmetics, biscuits, pharmaceuticals, margarine, detergent, lubricants, candles, feed stock and so on. "If the global palm oil market demand is anything to go by, there is undoubtedly the need for any wise investor like Norsworthy to cash in, on the existing opportunity to put their money where the returns on investment would certainly be in high digits", he added.

Source: The Guardian



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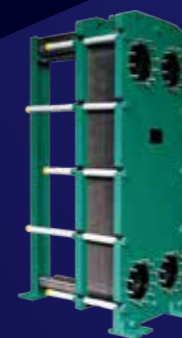


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The Thermal Solution Company



# COULD GABON BE ON THE FOREFRONT OF AFRICA'S NEXT BIG OIL BOOM?

*This Western African nation's success or failure could dictate Africa's palm oil plans.*

Sitting on the terrace of his presidential palace overseeing Libreville's beachfront avenue, Ali Bongo contemplates the growth of Gabon's capital. "Everything you see today wasn't here 10 years ago," says Gabon's 59-year-old president, sporting a perfectly tailored camel suit and a gleaming Rolex watch.

Libreville's expansion has been fueled by Gabon's decade-long boom in oil production. But with oil prices plummeting and reserves declining, the central African country is scrambling to find a less volatile source of income. Bongo's solution? Palm

oil. Gabon's government has partnered with agricultural giant Olam to set up the largest palm oil plantation in Africa — over 82,000 hectares. The move promises to generate thousands of jobs, millions in revenue — and some serious controversy.

Nobody doubts the country needs to diversify its economy. Despite being a middle-income nation with fewer than 2 million citizens, poverty remains high and youth unemployment is at 36 percent. Employment is the only way to bring the country's people out of poverty, says Bongo, who is keen to deliver results after his 2016 re-election was marred by accusations of fraud and violent street protests.

But palm oil comes with its own set of ghosts. After decades of mass production in Malaysia and Indonesia, the industry has become synonymous with deforestation, labor exploitation and chimpanzee murder. Showing Gabon can do better will be no easy feat.

**"I REFUSE TO HEAR THAT SUSTAINABILITY AND ECONOMIC PROGRESS ARE INCOMPATIBLE." ALI BONGO, PRESIDENT OF GABON**

Enter Olam's CEO, Gagan Gupta. Based in Singapore, Olam is a giant multinational operating in 70 countries selling commodities like coffee, cocoa, rice and cotton. But Gupta's small corner office feels

like that of a high school baseball coach, with walls covered in motivational slogans like "We always strive to do the right thing" and "We dare to dream."

"Growing palm oil does not need to hurt the environment or the workers," Gupta says with enthusiasm. "We are proof of that." The young CEO says Africa is the perfect place to show this can be done because it hasn't inherited the painful practices of Southeast Asia and the oil palm is native to the continent.

Using foreign multinationals to help foster Gabon's development is a "win-win," a guest economic analyst Emmanuel Leroueil, head of Central African operations for the Performance Group consul-



» An oil palm nursery in Kango, 60 kilometers from Libreville. (Source Xavier Bourgois/Afp/Getty)

tancy. The Gabonese government obtains access to Olam's deep pockets and agricultural know-how while the multinational gets priority access to a new market. "It is an innovative model but it is proving successful," says Leroueil.

Yet there is something standing in the way of Gabon's palm oil dreams: trees. The country is the size of the U.K. and over 80 percent of it is covered in dense tropical forest, which is not only a major carbon sink but also home to hundreds of endemic species — including many protected ones like forest elephants, chimpanzees and pangolins. A diverse and fragile ecology is something many other African countries investing in palm oil — such as Cameroon, the Central African Republic, Ivory Coast and the Democratic Republic of the Congo — also share, which is why Gabon's experiment matters way beyond the borders of the small nation.

Olam and the government say preserving the environment is their biggest priority. The company's palm oil plantations are the first in Africa to be certified as "sustainable" by the Roundtable on Sustainable Palm Oil, and Bongo is adamant about Olam's activities not hurting Gabon's precious biodiversity. "I refuse to hear that sustainability and economic progress are incompatible," he says. "We have planted thousands of hectares of palm oil without touching our forest!"

That's not exactly true. Visiting Olam's 20,000-hectare palm oil plantation in Awala, a couple hours' drive inland from Libreville, signs of logging are everywhere. Huge piles of timber stand by the side of

dirt roads. Among the palm trees, one can still see the muddy tracks of bulldozers. When asked about it, Olam admits to chopping trees to make room for the plantations but says they make up for the loss by identifying and protecting the most biologically rich stretches of the forest — what they call "High Conservation Value" areas.

Not everybody buys into this theory. Marc Ona Essangui, a renowned activist and executive secretary of the Gabonese NGO Brainforest, says "sustainable palm oil" is an oxymoron. Essangui insists that "Olam is cutting down more trees than they're allowed to, and their pesticides are filtering into the water stream of neighboring communities."

Despite the ecologist's criticism, Bongo is committed to seeing Gabon become a palm oil pioneer. So far, the industry has already generated 7,700 jobs for locals and, despite the drop in oil revenue, the World Bank estimates the country's economy will continue to grow at a yearly 5 percent — thanks, in part, to palm oil.

Meanwhile, investors are slowly buying into the idea of Africa as the next palm oil frontier. Two-thirds of the vegetable oil used in sub-Saharan Africa is already palm oil and consumption is expected to grow up to 10 percent annually. Sierra Leone and Benin are also investing in its production, trusting the continent can go from buyer to exporter. Gabon's example, whether good or bad, could set the tone for a new kind of oil rush.

Source: [www.ozy.com](http://www.ozy.com)



# COLOMBIA TO BOOST PALM OIL PRODUCTION 56 PERCENT OVER NEXT 5 YEARS

Colombia could up its palm oil output by some 56 percent over the next five years to 2.5 million tonnes, according to a report published by Nasdaq.

The President of Fedepalma, Jens Mesa, says that several crops are poised to mature over the period, producing a greater yield, potentially making the South American country the world's third largest supplier, according to Nasdaq, quoting Reuters as its source.

"Colombia, with what it already has planted, could grow to more than 2.5 million tonnes of oil," said Mesa. "We are working to develop these hectares, to reach their maximum output."

Colombia currently boasts 500,000 hectares of palm plantations – and the potential for more is virtually endless with suitable conditions across some 25 million hectares – although further crops would require government investment.

The country's palm oil could be of particular interest to the multinationals who use the raw material in FMCG goods including soaps and cosmetics because deforestation has not taken place there, according to Mesa.

*Source: Global Cosmetics News*



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## APC SIGNS NEW AGREEMENT TO PARTNER HO WEST DISTRICT ASSEMBLY IN PALM OIL PROCESSING

**P**alm Oil processing and extraction giants Africa Palm Corporation (APC), in a bid to broaden the frontiers in its operations, has signed a new partnership agreement with the Ho West District Assembly to process and extract Palm oil from Palm fruits on a large scale for mass market consumption.

A 5-man delegation comprising the President- Oscar A. Faria, Financial Officer, Marc Mesa, senior management member- Marielis Ontiveros, Carlos Gomez - Operations and country coordinator Raymond Tetteh paid a courtesy call on the District Chief Executive of Ho West, Hon. Apau Ernest Victor, and the traditional chiefs of the community to put finishing touches to the agreement process.

In his opening remarks the Hon Apau Ernest Victor expressed his elation about the project and further elaborated on the Government's desire to provide job potentials in Agriculture particularly for the youth through such initiatives.

He further expressed the relevance of this project hinting on the benefits of its establishment in the Ho West District such as the provision of schools, health care centres and palaces.

In his presentation, Country Director, Raymond Tetteh espoused the strategies and procedures that will be adopted in the execution of the project.

He said the prime aim of APC is to partner the chiefs and people of the community to produce and enhance the Oil Palm plantation business by extracting palm oil from the palm fruits for the market.

Mr Tetteh stressed on the need to harvest quality and organic fruits for the ready market.

"Africa Palm Corporation is also ready to assist in the training of farmers in the newest methods of nursing palm fruit seeds viable for mass production," he added.

The partnership project also highlights the benefits the community will derive in the construction of new roads leading to farm sites, accessibility of water to farmlands etc.

It is also envisaged that the value chain of this project will create over 40,000 jobs amongst the youth in the catchment area.

Addressing questions from the Chiefs and Elders of the community, Mr Carlos Gomez emphasized that it is the expectation of Africa Palm Corporation to reap around 2.2 to 4.5 metric tonnes of the product each year.

Mr. Carlos again hinted that the project, upon the approval from the community elders, will kickstart in the next six months and is estimated to cover over 1 million acres of land as a starter for the project.

In a related development, APC signed yet another partnership deal with the community folks in the Central region of Ghana on a similar project. The agreement was signed on behalf of the region by Hon Nana Appiah Nuamah II, Chief of Twifo Traditional area and a member of the council of state. The partnership will fall in line with Government's vision on the one district one factory agenda which will see both parties establishing a common goal in the production of palm oil and rice in the region.

African Palm Corporation is an American company dedicated to the extraction, processing and commercialization in the international market of derivative products of African Palm, with support and advice from a prestigious UK based insurance broker, the model guarantees investor viability and profitability of the business.

APC's advance High Grade ranking from its Brokers ensures total annual profits regardless of any political change or climatic conditions that could affect production and sales of the product.

The operations of the investor company will largely be expanded in the West African sub region in partnership with local communities.

Source: GhanaWeb

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To find out more contact us at <https://geospatial.trimble.com/ecognition-oil-palm-application>

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# Trimble Oil Palm Solutions





**1** Congratulations on your recent appointment as the new Chairman of Asia Pacific Biogas Alliance (APBA). Could you share with us about your professional background particularly your experiences in the biogas industry and related sectors?

Thank you for your well wishes. I am very honoured to be elected as Chairman of APBA for this year. I would like to take this opportunity to thank my fellow APBA members for entrusting me with such responsibility. I will endeavour to lead APBA committee members to continue to deliver on APBA's objectives through co-operation and hard work.

About my background, I graduated with a BA (Hons) in Accounting and Finance from the University of Essex, United Kingdom. After graduation, I started work as a Chartered Accountant in London where I received technical exposure to the United Kingdom and International Accounting Standards and the UK Inland Revenue in providing financial services to clients from a wide range of industries. I also became a Member of the Institute of Chartered Accountants in England and Wales (ICAEW/FCA) and Member of the Malaysian Institute of Accountants (MIA).

I am currently the Chief Executive Officer of Concord Group of companies. The group started out in diversified businesses such as commodity trading, property development, property investment and financial consultancy. Effective from October 2014, our group has expanded its business into the renewable energy industry mainly through our subsidiaries Concord Green Energy Sdn Bhd, Concord Renewable Energy Sdn Bhd, Concord Biotech Sdn Bhd and Concord Biogas Sdn Bhd.

**2** Could you share with us a brief background on the Asia Pacific Biogas Alliance (APBA)?

APBA was established in 2014 in response to the lack of voice for the biogas community in the Asia Pacific region. Awareness of biogas solutions was at all-time low and biogas was largely ignored as a renewable energy source. Several companies across the region were providing services to meet local needs, but most of them were operating autonomously without an umbrella or voice at governmental levels.

APBA was established to represent the industry, engage with government and global bodies and align the activities of national biogas movements with national biogas associations. APBA was also mandated to look into the promotion of biogas and biogas solutions, safety and lobbying governments for support.

In the most recent APBA Annual General Meeting held in Kuala Lumpur in April 2018, APBA committee members which were elected include industrial players, academic institutions and government-linked agencies from Malaysia, Indonesia, Thailand, Philippines, Vietnam, Singapore and China.

**3** What is the role and influence of APBA in the biogas industry?

APBA promotes the sharing of best practices, guidelines on biogas production and utilisation, as well as networking amongst industry stakeholders. It also serves the needs of the entire value chain of biogas production and utilisation including governments, feedstock owners, technological providers and end users by providing a useful platform to discuss and share experiences to drive the industry forward. APBA focuses on three sectors: Government Policies, End-User Education in Commercial Operations, and End-User Education in Safety which emphasizes safety fundamentals for the biogas industry to boost credibility and sustainable businesses.

At present, the biogas industry remains far from having enough voice on the right platforms. Moving forward, APBA's vision, with the support of national biogas associations in the region, is for the renewable energy fraternity to recognize the role that the biogas industry plays, not only in reducing the dependency on traditional fuels but also in reducing the release of biogas into the atmosphere.

In line with this role, APBA has been actively promoting the use of biogas as a viable renewable energy source to regional governments and assisting in linking up with national biogas associations and bodies from over 12 nations. We publish country reports, collect information on biogas developments, as well as promote safe designs and practices. Since 2016, we have also managed to raise funds to provide comprehensive biogas training opportunities in China to over 30 delegates from around the Asia Pacific region.

**4** What would you say are among the greatest achievements of APBA since its establishment in year 2014?

I would say the greatest achievement of APBA is the ongoing discussions with the European Biogas Association (EBA) and the American Biogas Council (ABC) to form a Global Biogas Net representing biogas interests on a global scale and becoming the voice to the UN for biogas-related affairs.

EBA and ABC are the leading European and American associations in the field of biogas and biomethane promotion and production. They have established national organisations, scientific institutes and companies. As of 2018, EBA has more than 90 members from all over the European region and has established co-operation with biogas associations from outside Europe. Global Biogas Net will elevate the voice for biogas industry to governments, advisors and think-tanks at global level. This is a crucial step in ensuring that the right policies, frameworks and rules are globally applied.

**5** What opportunities do you see for the application of biogas technology in the Southeast Asia region and how would it benefit the palm oil industry?

The production of palm oil inadvertently produces high-organic effluent, which in turn leads to the release of biogas into the atmosphere. The introduction and application of biogas technology in the palm oil industry has certainly helped to repair some of the perceived tarnished image of the oil palm industry. Besides, the treated effluent from biogas plant contains micro-nutrient organic fertilizer, which is recommended to be used back on the plantation soil instead of using inorganic fertilizer. Organic fertilizer will improve the yield of fruits and reduce operational costs for planters.

Interview with

**DATUK KHAIRUDDIN BIN TAN SRI MOHD HUSSIN**

*Chairman of the Asia Pacific Biogas Alliance (APBA)*





Newly elected committee members of APBA during AGM 2018 in Kuala Lumpur

The biogas derived from the palm oil industry has been successfully converted into electrical power, either for self-consumption or for feed-in-tariff projects. However, due to connectivity issues to the national grid, I believe that the future of biogas lies in the alternate, high-value use of biogas beyond power generation. From the upgrading of biogas to Bio-CNG (compressed natural gas upgraded from biogas) for vehicular use, to its thermal and even chemical applications, biogas can be a commercially lucrative and sustainable business if the right ecosystem can be built around its usage.

With the fluctuation of oil prices in the market, the cost of fuel for transportation has increased over the years. Consumers are looking for alternatives to fuel for domestic vehicles and hence, I foresee that the demand for electric vehicles and Bio-CNG vehicles will improve in the coming years.

**6 Are there any limitations or challenges being faced by the biogas industry? How does APBA plan to support industry players in addressing these challenges?**

We see two major limitations for the biogas industry to progress at a satisfactory pace:

- Firstly, the biggest challenge of biogas lies in direct and indirect fossil fuel subsidies. These artificially reduce the price of competing fuels and make biogas uncompetitive. Levelling the playing field by removing subsidies would make all biogas projects more commercially attractive.

- Secondly, biogas capturing systems with a typical anaerobic digestion will dramatically cut the methane emission (a potent greenhouse gas). These services will arrest the environmental degradation caused by agro-industrial effluent and waste helping to promote healthy living and a greener world. Hence, biogas projects deserve backing from global environmental organisations, such as in the form of subsidy or rewards for carbon foot print reduction. In other words, it is not possible to provide these services for free.

**7 What can we expect to see from APBA in the coming five years in terms of expansion or development plans?**

We are developing a white policy paper to promote biogas as the 'first choice' clean energy for big agricultural economies in the Southeast Asia region. Biogas production from agricultural waste contributes to almost all the 17 Sustainable Development Goals so it should be a top priority for every country in the region. We are also engaging with the Asia Pacific Natural Gas Vehicles Association (ANGVA) in developing industrial standards and utilisation of Bio-CNG for domestic vehicles.

We look forward to expanding the network of active APBA members in this region, further developing the biogas community by advocating for public policies and informing, supporting, and protecting practitioners and consumers, reducing dependency and usage of fossil fuel for power generation, and at the same time increasing awareness and quality of life by adopting green energy initiatives.



**8 Based on your professional experience, what would your outlook be on the biogas industry which industry players should take note of?**

In order to achieve an aspirational target of increasing the component of renewable energy to 23% by 2025 in ASEAN as the primary energy mix, all industry players are expected to accelerate and scale up their involvement in converting waste into energy.

Each ASEAN country is expected to promote and advance its own national renewable energy policy and agenda to reduce the dependency and usage of fossil fuel for power generation, and at the same time increasing awareness and quality of life by adopting green energy initiatives.

On the other hand, as the renewable energy sector becomes more mature, technology deployment in the renewable energy industry will reach a level of saturation, resulting in higher level of competition amongst EPCC contractors which directly leads to lower cost of investment to develop and build biogas plants in this region. Deployment of renewable energy technology to rural areas where most the palm oil mills are located is an initiative to decentralize the electricity supply

and connectivity to these areas. This can generate a massive income and help alleviate poverty by supporting the development of local communities. It allows households to indirectly switch kerosene fuel to cleaner, safer and cheaper fuel which will also help in reducing greenhouse gas emission.

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# BURSA

## INTRODUCES ENHANCED US-DOLLAR PALM OLEIN FUTURES CONTRACT



(NSTP file pic) Bursa Malaysia Chief Executive Officer, Datuk Seri Tajuddin Atan says the derivatives market strives is facilitating certified sustainable palm olein delivered via the exchange's clearing house by having RBD palm olein seller submit traceability documents.

**B**ursa Malaysia has launched an enhanced US dollar-denominated refined, bleached and deodorised (RBD) palm olein futures contract (FPOL).

This is in line with the exchange's aim to enhance product diversity in its trading sphere.

Offered to both domestic and foreign traders, FPOL is a free-on-board physical delivery mechanism offered to the trading community on Bursa Malaysia Derivatives.

The FPOL is a free-on-board physical delivery available for both both domestic and foreign vegetable oils traders.

The FPOL allow for transparent price discovery, regulated trading and an instrument for hedging, as palm oil refiners can now hedge against adverse palm oil price movements.

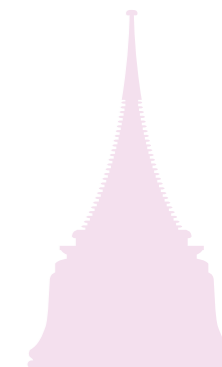
In a statement today, Bursa chief executive officer Datuk Seri Tajuddin Atan said the derivatives market strives is facilitating certified sustainable palm olein delivered via the exchange's clearing house by having RBD palm olein seller submit traceability documents.

"We are also allowing full waiver of exchange and clearing fees for the first six months trading of FPOL contracts," he added.

Source: New Straits Times



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# Interview with MR. JOHN WHITEHEAD

ASIA-PACIFIC DIRECTOR OF SALES & DISTRIBUTION OF TRIMBLE GEOSPATIAL

**1** Looking at when Trimble was established in 1978 with primary focus on the marine industry to its involvement across a myriad of industries today, can you share with us the key factors that are driving its growth?

Trimble has become a technology solutions provider for some of the largest industries across the global economy – namely infrastructure, building construction, agriculture, transportation and logistics, while continuing to strengthen its presence in industries where it has the strongest roots, namely surveying, engineering, mapping, and the like. I believe a clear mission helps to drive the success of Trimble, “Transforming the Way the World Works”.

Our technology offerings help create efficiencies that save money, reduce risk, reduce environmental footprint, and im-

prove time utilization. For many applications, non-technical users are also able to understand and utilize our solutions, which helps bring the value of spatial data to a broader number of people and industries.

**2** Industry 4.0 segments, namely “IoT”, “Big Data” and “Robots” (or Drones) are emerging as disruptors in various industries and significantly impacting the palm oil industry. Can you share with your views of these disruptive technologies and if Trimble is already offering or developing any products that would be compatible with these solutions?

We first need to understand disruptive technologies in the right context. The use of drones in oil palm plantations has begun to proliferate, but the one thing we see con-

stantly is that the bottle neck lies in making sense of the data. In other words, flying a drone over a plantation block is only the first step in a process, and the information captured becomes a lot more meaningful, or “actionable”, when it is processed and analyzed with the right tools for the intended purpose.

We use an analysis software tool called eCognition, an object-based spatial data analysis tool that employs machine learning, to identify and extract information from large data sets. In the case of oil palm plantations, the “data” is imagery from drones, satellites, and aerial LiDAR systems. After direct consultations with plantations in the region, we developed a specific work flow that addresses some fundamental data analysis questions – namely counting and indexing individual palms, attaching a geo-ID to each palm, highlighting the condition of each palm (its



“health” or stress level) and understanding the density of palms in a given area or block.

We can take additional steps in the process including creating terrain models for irrigation engineers, performing slope calculations for regulatory/sustainability professionals, and understanding forest encroachment and buffer zone issues. We can also overlay existing boundary data in our analysis to avoid rework for the user. The important thing is that this process can be repeated off-site and on-site to help improve the quality and timeliness of decision making.

**3** What do you think are your competitive advantages over similar market players?

Our competitive advantage is definitely our approach. We ensure our users in the palm oil industry “own” their data, primarily because we believe they will only realize the value of spatial data after they take ownership of the process for collection, processing and analysis, and ultimately repeating this process and understanding the changes that are taking place. Our service offering and work flow provides such capability to the people on the ground who need to make decisions in a timely manner. Our software provides deliverables that enable better decisions to be made around costly production inputs such as fertilizer, labor, and other resources. It also helps to better the user’s understanding of environmental and sustainability conditions so that improvements can be recommended.

**4** As with all major palm oil projects, challenges are inevitable. Has Trimble faced any major hurdles in trying to get your products established in the

palm oil industry and how did Trimble overcome such challenges?

From the pure standpoint of geospatial technology, the palm oil industry remains in the infancy stage in terms of realizing the value of spatial data, both from an operational and sustainability standpoint. I would name EDUCATION as the biggest hurdle. There were many instances where only a handful of people in the entire company were familiar with geospatial technology, or the entire scope of such work is outsourced. It has been a challenge to convince customers on the value of the data and on process ownership.

**5** Trimble has been known as a robust provider of GPS solutions for various industries. Palm oil seems like Trimble’s “new-kid-on-the-block” in its product offering. How soon do you foresee that Trimble will start reaping results on this niche industry and what type of headways have Trimble made so far in the region?

We are making headway and are already seeing results, but we will not be satisfied until the industry adopts geospatial technology on a broad basis. The entrance of competitive solutions into the market will also signify a higher level of technology adoption, which we would welcome in the spirit of healthy competition (although it would funnily necessitate that we work harder to keep up).

**6** What exciting plans or solutions can the palm oil industry expect to see from Trimble in the next 5 years? What do you envision for Trimble in this industry?

I became interested in the palm oil industry after taking a flight over part of the Sumatera islands on a clear sunny day. I realized I was looking down at palm plantations, not jungles. We cannot deny the effects of the forestry destruction and environmental degradation that has taken place over the last few decades.

While we acknowledge these realities, we are confident in Trimble’s capability to provide solutions that would help increase productivity of plantations based on current resources. Our specific goal in this industry is very much in line with our corporate goal of transforming the way the world works – in this case, to provide solutions that maximize productivity on existing plantations, reduce GHG emissions, curb or introduce disincentives for further deforestation, and at the same time, improve revenues and profits for our customers.

**7** Finally, could you share with us about the responsibility of industry players to address challenges in the industry?

Industry players, from plantation managers to the high-level management, should be advocates for transparency, both internally and externally, using geospatial data as an objective tool. There will always be challenges in managing large, disparate assets such as oil palm plantations including factors of political influence. Geospatial information is an objective tool that allows both commercially driven and environmentally driven professionals to find common ground.

To know more about Trimble, please visit: <https://geospatial.trimble.com/ecognition-oil-palm-application>



Professor Mei Fong Chong, from the University's Department of Chemical and Environmental Engineering in Malaysia, has developed a POME treatment system called the Integrated Anaerobic-Aerobic Bioreactor (IAAB) to solve the issue. This turns the liquid effluent into water for reuse in the palm oil milling process, which can be further purified into clean drinking water.

The IAAB is innovative because it integrates anaerobic and aerobic bacteria to digest the organic matter in the POME to meet the discharge limit. This activity generates a methane bi-product, which the novel system simultaneously recovers and treats for use as a high-quality biofuel.

Professor Chong said "Around 30 million tonnes of wastewater is produced annually in the palm oil production process. Up to now most mills use a conventional ponding system for the treatment of the effluent but this system is polluting to the environment. The biogas it releases contributes to our global CO2 emissions. Our new IAAB technology processes the effluent efficiently and cleanly, and harnesses a valuable renewable energy source into the bargain."

The REGEN system is part of the University's Centre of Sustainable Palm Oil Research (CESPOR) based at the Malaysia campus near Kuala Lumpur. CESPOR is a multi-disciplinary research centre which focuses on palm oil, from plantation to waste treatment. The centre is working in close collaboration with Malaysian companies, Eureka Synergy Sdn.Bhd. and Havys Oil Mill Sdn. Bhd.

Dr. David Lim Lian Keong, Managing Director of Eureka Synergy Sdn. Bhd., said "This collaboration is vital for sustainable palm oil research, particularly palm biomass. Malaysia's Government has set a national target to reduce 40 per cent of CO2 emissions by 2020. Moreover, the Department of Environment (DOE) has begun enforcing the mandate for proper waste disposal and treatment for all of Malaysia's 400 palm oil mills. So, we are well-placed to help individual palm oil mills to meet the DOE's regulatory parameters for appropriate waste treatment."

Datuk Michael Lim Lian Seng, Managing Director of Havys Oil Mill Sdn. Bhd., added: "With the knowledge and expertise of the parties involved in this collaboration, we aim to develop the means to convert renewable energy through various strategies which will subsequently benefit the nation. From a national perspective, the implementation of more biomass and biogas projects will ultimately recover and prevent millions of tonnes of waste from polluting the environment."

Professor Graham Kendall, Provost at the University of Nottingham Malaysia Campus, said: "According to the National Biomass Strategy, Malaysia's output of palm biomass is expected to increase to 100 million dry tonnes by 2020. By combining resources, know-how and capabilities, this joint venture can fully undertake projects large and small to recover and optimise Malaysia's palm oil waste value."

Source: [m.phys.org](http://m.phys.org)

## ZERO-WASTE PALM OIL INDUSTRY ON THE HORIZON WITH NEW TECHNOLOGY

Engineers at the University of Nottingham Malaysia have developed new technology to help the global palm oil processing industry reduce CO2 emissions and create renewable energy from its waste.

Malaysia is the second-largest crude palm oil producer in the world and fulfils nearly half of all demand for the oil, which is now used in a huge variety of foodstuffs and household products.

Some 400 mills each produce huge amounts of waste, including kernels and husks from pressed fruits, discarded branches and waste water known as Palm Oil Mill Effluent (POME). All of which is environmentally-polluting.

Now University researchers, in collaboration with Malaysian industry partners, have built a unique integrated zero-waste management system for the mills. The pilot plant, called an Integrated Waste Recovery and Regeneration System (REGEN), contains technology which converts all solid biomass waste and POME into valuable building materials and bio-energy.

Project lead, Professor Denny K. S. Ng from the University's Faculty of Engineering in Malaysia, said: "The by-products of palm oil production have long been a problem for the industry and the environment, so we hope our new technology will be a best practice example of what can be achieved in the drive for sustainability. In principle, there will be zero discharge from the entire mill process.

"Once it is commercialised, our technology will enable palm oil processing facilities to turn oil palm fronds, trunks and empty fruit bunches into dried long fibre for matting, pallets, briquettes and biofuels. We can also use the palm debris to make a bio-fertiliser that retains the nutrients from the palm tree, cutting chemical use and creating healthier soil. This in turn improves the palm fruit yield and the quality of the crude oil."

In tandem with the biomass processing technology, the project has also been investigating how to recycle POME. The raw effluent is a serious pollutant that requires effective treatment to meet government discharge limits before being released into the water-course.



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# MINIMIZING THE IMPACTS OF PALM OIL PLANTATIONS

**W**ith palm oil production exploding around the world, a new study of a leading producer has found ways to make the process easier on the environment.

Ph.D. candidate Lain Pardo, from James Cook University in Australia, studied the industry in Colombia—a country described as being on the ‘tip of the spear’ in terms of burgeoning palm oil production.

The researchers used a new camera trapping technique across 2,000 square kilometres of the country’s most important palm oil production region and found that while palm oil plantations are not suitable for most mammals to live in, the situation could be improved.

“We found that the number and diversity of species differed significantly between oil palm plantations and their neighboring forests, with the number of species inside oil palm plantations 47% lower, on average, than in the forest,” said Mr Pardo.

He said that within the plantations, the number of different species declined as the number of cattle in the plantation

rose, but species numbers were helped by the presence of dense undergrowth vegetation and proximity to forest.

These factors, and canopy cover, were also linked to an improvement in mammal diversity within palm oil sites.

The scientists looked at a savannah woodland system where much of the land was already in commercial use before being converted to palm oil.

Mr Pardo said unlike Southeast Asia, most of the land in Colombia converted for use as oil palm plantations had previously been pasture, not forest, and palm oil was not the primary driver of deforestation. But he said even when planted on savannah, oil palm plantations may have a devastating impact on wildlife.

“So, it’s still important to know what is going on ecologically in these areas. The Colombian government says land used to grow oil palms will double to about one million hectares by the year 2020. If unplanned, this expansion could result in a disruption of the ecosystem.”

Mr Pardo said the scientists recommended oil palm growers

promote undergrowth vegetation and avoid cattle presence inside plantations, along with respecting designated buffer areas that allow for the conservation and restoration of riparian forests.

**“***The forests are the most important factor. Even secondary riparian forest makes an important contribution to sustaining wildlife across oil palm dominated landscapes in Colombia.***”**

He said the scientists understood that oil palm development provides social benefits in Colombia.

“Development in some areas is being partly driven by government incentives and corporate investments, and also in response to the end of a prolonged armed conflict, which has allowed access to previously inaccessible areas. So it’s vital to engage relevant stakeholders to balance socioeconomic and environmental goals. If Colombia follows our guidelines it has a great opportunity to produce palm oil in a more sustainable way, compared to Malaysia and Indonesia.”

Source: phys.org



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## PALM OIL: CARGILL HIGHLIGHTS ACTION PLAN FOR A SUSTAINABLE SUPPLY CHAIN

Cargill claims to be on a mission to be “the leader in nourishing the world in a safe, responsible and sustainable way.” One primary focus is its work across complex global supply chains, a crucial component on how the global corporation serves its customers and keeps food systems strong. The company’s goal is to build a 100 percent transparent, traceable and sustainable palm oil supply chain by 2020 and it’s making substantial progress to deliver on its commitments.

Recently Cargill published an update on progress; Cargill’s action plan for 2018 details how it is advancing the 2020 commitments through a series of measures.

FoodIngredientsFirst caught up with Marie Lavalie-Piot, Cargill’s Sustainability Program Manager, to find out more.

“By publishing our policy in July 2014, Cargill committed to transparency and regularly reporting on our progress towards a 100 percent sustainable transparent and traceable supply chain by 2020. Our latest report outlines our progress in 2017 and how we will advance sustainability in 2018,” she begins.

“We reached 96 percent combined traceability to mill level (99 percent for kernel and 96 percent for palm) and 55 percent to the plantation (32 percent of kernel and 59 percent of palm in the fourth quarter of 2017 for all the palm we ship. Sixty-five percent of our direct suppliers have a No Deforestation, No Peat, No Exploitation (NDPE) policy.”

But how does the company plan to do more? And, what steps must be taken for Cargill to reach its palm oil sustainability goals?

“Traceability to the plantation remains one of the greatest challenges of the industry today. Cargill has already started to collect plantations coordinates within high priority landscapes and will extend it to a global collection by 2020,” continues Lavalie-Piot.

“We will accelerate it thanks to collaboration with partner suppliers who share our commitments to developing an increasingly sustainable and traceable palm oil. Collection of the information during supplier engagement program (workshops, visits, etc.) The use of technology, particularly in the collection of small growers information and the standardization of the collection, storage and verification of the traceability data to even better measure our progress.”

As part of the sustainable palm oil journey, Cargill has been building strong and trusting relationships with palm oil producers, packaged consumer goods conglomerates, the numerous communities around its plantations and individual smallholder farmers.

Cargill owns 19 refineries, 11 mills, five plantations and works with approximately 22,000 smallholder farmers with plantations of 25 hectares plus and also works with 1,558 third-party mills.

And it’s this relationship with smallholder farmers that is a crucial element to achieving sustainability goals.

Lavalie-Piot explains some of the real changes happening on the ground for farmers and their communities.

“Cargill is partnering with farmers to increase productivity and market access. We have trained thousands of farmers around the world to use sustainable farming practices so they can increase yields and profitability,” she says.

“We provide training on agricultural practices, farm management, land use and deforestation, health & safety, labor rights and adoption of Roundtable on Sustainable Palm Oil (RSPO) certification.”

“We are currently developing technological solutions to map farmers, give them access to market information, track the financial health of their farms, improve productivity, and mitigate environmental risks.”

“We want to ensure that farmers are included in our supply chain and engaged in sustainable and profitable practices.”

Cargill’s updated report also talks about progress on the ground regarding labor and human rights. Cargill independently assessed its own plantations and launched efforts within its supply chain focused on labor in Malaysia. Cargill has also partnered on industry-led initiatives in

Indonesia through the Decent Rural Living Initiative.

“There are meaningful and innovative supplier engagement programs in Malaysia, Indonesia and Latin America,” adds Lavalie-Piot.

“There are the labor and human rights initiatives in Cargill operations and industry partnerships including the launch of the Decent Rural Living Initiative, an industry-led initiative with four other companies to help improve labor and human rights for agricultural workers in the Indonesian palm industry.”

“There are also smallholder certification and empowerment programs in Malaysia and Brazil.”

**In addition, Lavalie-Piot explains Cargill’s key priorities for the future include:**

- Developing a verification mechanism to increase transparency and improve processes;
- Develop sustainable landscape approach to address common issues at a landscape level;
- Investing in technology to empower farmers and develop robust tools to assist Cargill in monitoring and mitigating social and environmental problems;
- Bring partnership to the next level.

### Consumer view of palm oil

In general, palm oil, how it is sourced, where it comes from and the farmers and small communities of grower countries have been heavily scrutinized in recent years as industry steps up efforts to clean

up the supply chain. There is also significant pressure from non-government organizations and environmental groups like Greenpeace which continually investigate the palm oil supply chain.

At the same time, there is increasing consumer awareness about the significant issues of palm oil – deforestation, loss of the natural habitat of the three surviving species of orangutan, child labor, a fair trade environment for farmers, other labor issues and more.

Just last week a new study examined the challenges of palm oil sourcing. The study by the Imperial College London says that genuinely “deforestation-free” palm oil products are problematic to guarantee. And despite a considerable amount of work within the industry, a more collaborative and supportive approach to understanding palm oil supply chains is needed so it can lead to more effective strategies being developed.

Lavalie-Piot agrees that the consumer is becoming much more conscientious, a vital factor in why Cargill is pushing forward with communicating its palm oil sustainability goals.

“They (consumers) want to do good for the world and not cause any damage,” she adds. “They have access to technology and data which enables consumers to be informed very quickly and aware of what is happening in the world and the impact of the food chain on the world’s resources.”

“Therefore, it is critical that we keep working in transforming supply chain, support our customers in developing in



Marie Lavalie-Piot, Cargill’s Sustainability Program Manager

redient solutions that come from trusted sources and that are environmental and socially-friendly.”

Lavalie-Piot believes that transparency and technology support Cargill’s sustainability message, and the company must continue to communicate its success stories about smallholder farmers and the successful partnerships and programs at a landscape level.

“The demand for oil is going to keep growing as the world population grows. With the highest yield, palm is the best edible oil crop to meet future oil demand with the lowest footprint. Furthermore, millions of small farmers and communities are dependent on the palm economy,” she adds.

“We have a responsibility towards them to support them in responsibly producing palm in protecting forest biodiversity and respecting human rights.”

Referring to the recent move by UK supermarket, Iceland, to scrap palm oil from its own-label products, Lavalie-Piot says: “The ban of palm oil is not a solution.”

“We should keep promoting the purchase (uptake) of sustainable palm oil. The sector works pre-competitively on the ground to stop deforestation and prevent the exploitation of people,” she continues.

Cargill will continue to recognize the importance of addressing social issues and the respect of human rights; its reevaluating policy to strengthen standards on “no exploitation” and the aforementioned Decent Rural Living Initiative. This program brings together diverse perspectives from growers, unions, NGOs and other key stakeholders to identify and scale solutions to complex sustainability challenges and uphold fair and safe employment conditions.

“Cargill has partnered with UNICEF to protect children living on our plantations and in surrounding palm growing communities,” adds Lavalie-Piot.

“The objective of the project is to reduce the palm oil industry’s adverse impacts on children and help plantations to improve the lives of millions of workers and their families worldwide.”

“We worked with Proforest to develop a social risk assessment methodology to identify, monitor and mitigate the risks,” she concludes.

Source: [foodingredientsfirst](#)



# GOVERNMENT TO INCREASE BIODIESEL MIX TO 25%



The government is planning to issue a regulation on the production of 25-percent biodiesel ( B25 ) early next year. Once issued, the policy will replace the current regulation on 20-percent biodiesel ( B20 ) production. (Shutterstock/File)

The 5-percent increase in biodiesel is expected to save US\$1 billion in oil imports a year, in addition to supporting clean energy.

Energy and Mineral Resources Minister Ignasius Jonan said his office was in the process of drafting the regulation and dealing with biodiesel mix technicalities.

With the B25 regulation, the ratio of biodiesel to petroleum diesel will be 25 percent to 75 percent.

"We are currently discussing the regulation and the technicalities. This is aimed to make Indonesia [adopt] clean

energy," Jonan told The Jakarta Post in Helsinki on Tuesday during a visit to Europe.

Jonan said given the current oil price, a five-percent increase in palm oil-based biodiesel in the diesel mix would cut the state's expenditure by up to \$1 billion a year from total oil imports.

To support the new regulation, Jonan called on biodiesel makers to encourage diesel-engine manufacturers to support the policy. He said the use of biodiesel, which had been implemented in railway engines and heavy machinery in the mining industry, could take place due to support

from engine manufacturers.

"If they give their support technically, we can immediately run the policy," said Jonan.

The minister said the government alone could not enforce the B25 regulation if engine manufacturers in the country did not make adjustments to their products in line with the policy.

Therefore, he suggested that biodiesel producers immediately hold a meeting with diesel-engine manufacturers to come to an agreement over the B25 regulation.

When the new policy is implemented, diesel fuel distributed by state-owned energy giant Pertamina and AKR Corporindo, a distributor of basic chemicals and petroleum products, can be mixed directly with palm oil.

"Aside from reducing carbon emissions, the purpose of this policy is to reduce oil imports," Jonan said, adding that the government would increase the biodiesel mix to 30 percent in the near future.

Meanwhile, the chairman of the Biofuel Producers Association (APROBI), MP Tumanggor, said he fully supported the government's decision to implement the B25 policy.

"In fact, the faster it is implemented, the better," he said.

The policy alone is in line with Indonesia's goal to reduce carbon emissions and fight global warming, as was agreed upon at the United Nations Climate Change Conference, COP21 in Paris in 2015.

The regulation is also expected to help in the production of crude palm oil (CPO) for the domestic market. Indonesia produced 34 million tons of CPO in 2016.

"So we do not have to worry about the obstacles that the EU put in place to export CPO", he said, referring to the EU's plan to phase out biodiesel use by 2021.

Tumanggor said he believed there would be a balance between supply and demand in the market and that, within two or three years time, CPO production would reach 40 million tons per year.

According to APROBI, the capacity of domestic biofuel production is currently at 11 million kiloliters.

Meanwhile, with the B25 policy, five million kiloliters could be absorbed by the domestic market, which could result in an increase in CPO prices.

*If the CPO prices increase, the farmers' and the country's revenues will also increase,"* he said.

Moreover, regarding the readiness of engine manufacturers in adopting the B25 policy, Tumanggor expressed optimism.

"Engine producers such as Hino, for example, have passed the test for B30 biodiesel. So we expect other producers, such as Toyota and others, to do the same," he said, adding that he hoped Industry Minister Airlangga Hartarto could convince domestic automotive manufacturers to support the B25 policy.

"We have to save our palm oil commodity. We have to remember that there are 16 million people who are employed in this sector." (roi)

Source: [www.thejakartapost.com](http://www.thejakartapost.com)

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# WHY PALM OIL IS BETTER

*A traditional medical practitioner, who is also a monk/priest at St. Benedictine of the Catholic Church in Edo State, Revd Father Anselm Adodo, answers the following two questions.*

**WHAT IS YOUR FAVOURITE OIL: COCONUT OIL, GROUNDNUT OIL, SUNFLOWER OIL, FLAXSEED OIL, OLIVE OIL?**

**O**n their health benefits, none of these oils can compare with palm oil. Surprised? You are probably astonished because palm oil is everywhere and cheaper. Remember the biblical saying: 'A prophet is always respected except in his own country'.

Palm oil is a native of West Africa. It provides good health, fertility, radiant skin, stamina and high energy levels. The only problem is that it is common and cheap. As a result, we prefer the more expensive, processed, foreign and unhealthy oils. In re-

cent years, oil palm growth has expanded to Southeast Asia, including Malaysia and Indonesia. These two countries produce more than 80 percent of the world's palm oil supply. Perhaps we will appreciate red oil palm better when we begin to import it at very high prices. Nigerians love foreign and expensive things.

In many African homes of old, palm oil was the number one medicinal cure for many ailments: headaches, joint pains, stomach pains, cough, asthma, and many others. Studies show that it has been used for 5000 years. It is called 'red oil' or 'red palm oil' because of its red. The colour is due to the high levels of two powerful antioxidants: Lycopene and Beta-carotenes, the same antioxidants found in carrots. However, red palm oil contains more lycopene and Beta-carotenes than the carrots and tomatoes.

The oil is derived from the fruit of the oil palm tree, which real name is *Elaeis guineensis*. Palm oil is one of the least expensive and most popular oils worldwide, accounting for one-third of global plant oil production. Red palm oil not only is high

in Vitamin E, but it also contains an exceptional type: tocotrienol. This antioxidant is believed to play a protective role in cellular ageing, atherosclerosis (heart disease), cancer, arthritis, and Alzheimer's disease.

Vitamin A is essential and can help to protect bones, improve the immune system and keep mental function strong. There is no doubt that when it comes to oils, the red palm is the most nutrient rich. Aside from Vitamin E and A, a few others include Vitamin K, CoQ10, Squalene (a compound linked to decreasing cholesterol), phyosterols and flavonoids.

The benefits of palm oil include its ability to improve energy levels and vision, prevent cancer, boost immunity, premature ageing, protect against heart diseases, lower cholesterol and blood pressure and even decrease stroke risk and severity. But wait a minute! Did I say it lowers cholesterol? Yes.

Red palm oil is an effective remedy for cholesterol. It helps to regulate blood pressure and lower cholesterol. In fact, one of the ancient African remedies for food poisoning and excessive acidity of the stomach is

to drink one shot (50 mls) of palm oil. Do you want scientific evidence?

I have them in abundance, but space will not even allow me to delve into that area. One thing you must keep in mind, however, is that most scientific studies are not neutral. Many of them have some economic and political undertone and motivation.

In the 1980s, there was a successful campaign in Europe and America against palm oil. Based on 'scientific research', Palm oil was replaced with trans fats in many European and American products due to concerns that consuming tropical oils (Can anything good come from Africa?) might jeopardise heart health. However, after studies, it was revealed that trans fat (Oyibo oils) was the real enemy. The fat was linked to heart diseases and other health complications, while palm oil was found not only to be harmless, but very beneficial for health, including protecting brain function, reducing heart disease risk factors and boosting vitamin A levels. After that, food manufacturers resumed using palm oil. Palm oil also found its way into non-food products, such as toothpaste, soap and cosmetics.



You want a bright and radiant skin free from blemishes and a youthful face? Apply a little palm oil on your body and face daily. For centuries, palm oil was the

number one body cream in West Africa. These days when most body creams in the market are filled with skin bleaching and carcinogenic chemicals, we should consider using palm oil as a substitute.

Studies suggest that palm oil's antioxidant properties help prevent various cancers. It inhibits the development of skin, stomach, pancreas, lung, liver, breast, prostate, colon, and other cancers. Regular vitamin E supplement cannot perform these functions.

Palm oil's antioxidant supply is also found to help prevent neurological degeneration by stopping free radicals that damage brain and nerve tissues, and promoting circulation, which increases your protection against diseases, such as dementia, Alzheimer's, Parkinson's, and mental conditions.

Additional evidence also states that palm oil can help strengthen immune function and promote bone, eye, oral, lung, skin, and liver health. As a fat-rich oil, palm oil helps provide energy and enhance the absorption of fat-soluble nutrients such as vitamins A, D, and E.

Consumption of red palm oil is safe, even in large amounts. It does not have any side effect similar to those induced by drugs. Because of palm oil's composition, it metabolises more effectively with food, so there is less risk of having abdominal discomfort or bowel problems.

Source: [thenationonline.net](http://thenationonline.net)



Do you remember those days of *mama ibeji* (mother of twins) among the Yoruba people? That was the period when women took lots of palm oil as part of their daily diet, resulting in high fertility rate. The problem started when we replaced red oil with all sorts of refined oils: groundnut oils, vegetable oils, olive oils, etc.

Source: [thenationonline.net](http://thenationonline.net)



# WHEN PALM OIL MEETS POLITICS, INDONESIAN FARMERS PAY THE PRICE

- Activists have warned of a worrying number of farmers in Indonesia's Central Sulawesi province being driven off their land by palm oil companies, often with the support of the local police and officials.
- The province lost 10 percent of its tree cover between 2001 and 2016, and palm concessions now account for more than 7,000 square kilometers (2,700 square miles) of land there, including pristine forests that are home to species found nowhere else on Earth.
- Given the long history of district chiefs issuing a flurry of concessions in exchange for campaign funding ahead of elections, activists fear the elections later this month will set the stage for even more land conflicts.

Frans remembers getting up just after sunrise on a September day last year in his village of Panca Mukti, in the Indonesian province of Central Sulawesi.

He'd been looking forward to that day, when he planned to harvest palm fruit from his 43-hectare (106-acre) farm.

"The sale from the harvest was meant for my family," he tells Mongabay. "I'd pinned my hopes on my plantation to provide for my children's future and our daily needs."

But what should have been a bright day quickly turned dark. "As usual I brought my machete to cut down my fruit," he says. "But once I arrived at my plantation, I saw strangers picking my fruit."

The strangers turned out to be from PT Mamuang, a subsidiary of the second-largest palm oil producer in Indonesia, PT Astra Agro Lestari. Angered that they had trespassed onto his land, Frans struck out, hitting one of their motorcycles with his machete.

Much later, on Oct. 6, he filed a complaint with the local police in Donggala district, where his village is located, for theft of his palm fruit. But by then, PT Mamuang had already reported him to the police for destruction of private property. Later that month, the police came to Frans's house and arrested him in front of his wife and two children.

"The police grabbed me by my collar and strangled me," he says. "And then I was beaten and kicked."



Frans, a farmer from Donggala district in Central Sulawesi, Indonesia, holds some documents as a proof of ownership on his oil palm plantation. Photo by Hans Nicholas Jongl Mongabay.

In court, he presented papers to prove that he had received the land in 2000 from the Toraja indigenous group, and that he had routinely paid land taxes. For its part, PT Mamuang was unable to show the permits that it claimed entitled it to Frans's land.

"We have valid cultivation permits in that region," Tofan Mahdi, a spokesman for PT Astra Agro Lestari, told Mongabay. "That's why we filed a report to the authority."

In the end, the court ruled against Frans, handing down a verdict that activists condemned as rife with irregularities. Frans was convicted of destruction of property, and spent more than five months in jail.



Protesters demand farmers from Polanto Jaya village in Donggala district, Central Sulawesi, Indonesia, to be released from jail during a rally. Photo courtesy of Walhi Central Sulawesi.

## OIL PALM EXPANSION

Frans's story is not an isolated one in Central Sulawesi. Four farmers from Polanto Jaya village, also in Donggala district, were similarly prosecuted after PT Mamuang accused them of stealing palm fruit from farmland claimed by the company.

Activists say these smallholders are the latest victims of the push into the relatively pristine forests of Central Sulawesi — and the island of Sulawesi in general — by a palm oil industry that has largely depleted the forests of Sumatra and Kalimantan, the Indonesian portion of Borneo.

The growing frequency with which licenses for oil palm plantations are being issued in Central Sulawesi bears a worrying resemblance to patterns previously seen on those other islands, says Abdul Haris, head of the provincial chapter of the Indonesian Forum for the Environment (Walhi), the country's largest environmental group.

"Central Sulawesi has become the biggest area for palm oil expansion," he tells Mongabay.

As of the end of 2016, palm licenses had been issued covering a combined 7,132 square kilometers (2,753 square miles) of land in the province, Abdul says, citing data from the provincial plantation agency. A year earlier, the licenses accounted for 4,612 square kilometers (1,780 square miles) of land.

"That means that in the span of one year, there was an additional [more than] 2,000 square kilometers [772 square miles] of concessions given out," Abdul says.

Given that much of the media coverage about palm oil in Indonesia tends to focus on Sumatra and Kalimantan, the fact that more than 7,000 square kilometers of palm concessions — an area greater than the state of Delaware — have been awarded in Central Sulawesi comes as a surprise, Abdul says.

He says four major oil palm producers operate in the province: PT Astra Agro Lestari, PT Sinar Mas Agro Resources and Technology (SMART), Sime Darby and Kencana Agri. PT Astra Agro Lestari's concessions are the biggest in size, spanning a combined 1,113 square kilometers (429 square miles).

"No wonder there are many conflicts involving PT Astra Agro Lestari in Central Sulawesi," Abdul says.

"Over the past 10 years, the company's been operating on conflict land."

It's not just local communities being displaced by the expansion of the palm oil industry. Central Sulawesi's forests, biodiversity treasure trove of species found nowhere else on Earth, are also under threat. In Buol district, palm oil planters may have cleared 680 square kilometers (262 square miles) of forest in 2015, accounting for two-fifths of their total planted area there, according to a report by the NGO Forest Watch Indonesia (FWI).

Another 128 square kilometers (49 square miles) of forest sits within zones that have been earmarked for plantations but not yet developed, the report said.

Between 2001 and 2016, Central Sulawesi lost 10 percent of its tree cover, according to Global Forest Watch data — an area amounting to 5,751 square kilometers (2,220 square miles). The data show tree-cover loss on palm oil concessions plantations appears to have intensified starting in 2009.

“ I get very scared ”

Frans completed his sentence in April and was released from prison. But he and his family continue to be haunted by the conflict over the oil palms.

"I get very scared whenever I see someone in a police uniform coming to my plantation now," he says.





A truck transports recently harvested oil palm fruit, which will be pressed to make palm oil. Photo by John Cannon.

"I'm scared the abuse will happen again. My wife and my children are still traumatized as well."

To Frans, the farm still belongs him, but the company doesn't see it that way. Shortly after his release, Frans went to the farm to find the land had been fenced off.

He took the fence down — but that only triggered another complaint to the police for destruction of property. "I heard about it from the police, who said I would be arrested again," he says.

With the threat of another stint in jail hanging over him, Frans joined one of the farmers from Polanto Jaya village, Sikusman, on a mission to Jakarta to plead their case to authorities they believed would be more sympathetic to their plight than the local government.

Accompanied by Walhi officials, Frans and Sikusman — who was also jailed for five months after PT Mamuang accused him of stealing palm fruit — reported their case to the office of the president's chief of staff on May 16. Among those they met were Abetnego Tarigan, a senior adviser on social and environmental issues.

"They said they would follow up on this case and summon the parties we reported," Walhi spokeswoman Khalisah Khalid tells Mongabay.

She says Abetnego and the other officials said it was regrettable that local law enforcement and other authorities in Central Sulawesi had failed to respond to the incident and address the matter adequately.

### CASH FOR CONCESSIONS

There's a long history of local officials in Indonesia siding with palm oil companies in land disputes. And the murky links between the two grow even more insidious in the lead-up to elections, when officials running for re-election promise a flurry of licenses in exchange for campaign funding.

Elections are scheduled for later this month in three districts in Central Sulawesi: Morowali, Parigi Moutong, and Donggala, home to the villages of Panca Mukti and Polanto Jaya.

In Donggala, district chief Kasman Lassa is the strong favorite for re-election. He came to office in 2013 in a closely contested vote, having been acquitted the previous year of charges of embezzling district funds for a construction contract when he was a senior bureaucrat in the district government.

The coming election could lead to the unbridled expansion of oil palm plantations in the three districts if the incumbents abuse their powers to grant permits at the expense of the environmental and social consequences, Abdul says.

He cites the case of Amran Batapilu, the former head of Central Sulawesi's Buol district, who was caught red-handed in 2012 taking a bribe in exchange for land concessions for plantation companies controlled by tycoon and politician Siti Hartati Murdaya.

He was sentenced to seven-and-a-half years in prison in 2013, while Hartati received two years and eight months.

If law enforcement officials in districts including Donggala are not cautious, Abdul warns, then "a case like Buol might happen again."

Source: news.mongabay.com



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# TOTAL TRAINS 50 ON OIL PALM PRODUCTION

Over 50 Local farmers from various communities in Ogba / Egbema / Ndoni, Ahoada and Emohua Local Governemnt Areas of OML 58 oil field in Rives State were given special trainings sponsored by Total E&P. Nigeria Ltd on International Standard of Oil Palm production.

A two-day training, which held between last Wednesday and Thursday by an Agricultural Specialist firm, (Maclyns Global Resources Limited) was held at Obite Community Civic Centre in Ogba/Egbema/Ndoni Local Government Area of the state.

Declaring open the training tagged "OML58 Oil Palm Value Chain Sustainable Development Training Workshop", the Business Development Manager of Total E & P Nig. Ltd, Mr. Philippe Desriac, said the programme was part of the company's social responsibilities to assist local farmers to grow from the level of local farming to Macro Agric-business to boost the economy of the State as well generate employment opportunities for the teeming youths in the State and the country in general.

Desriac stressed the company's commitment to support genuine farmers on oil palm production farming to achieve the set goals in the project, saying that the palm oil project is primarily an economic employment programme designed to assist farmers and young people to operate and own farms and palm estates too export.

The company manager said that the firm is determined to monitor gradually the seriousness of the beneficiaries to make them role models to others to be contacted on the modern oil palm farming in the state.

He urged the trainees to see the opportunity as a divine one to transform their lives. In his speech, the Chief Executive Officer (CEO) of Maclyns Global Resources Limited, Mr. Ugochukwu Mackintosh said the training was designed to make the farmers oil palm producing moguls as in countries like Indonesia and Malaysia.

Mackintosh, who described Indonesia and Malaysia as the leading oil palm producing countries world

wide, said the local farmers would be trained on Indonesia and Malaysia systems of oil palm production farming for the first time in Nigeria.

According to him, the oil palm production project is a paradigm shift and diversification process from a mono-economy of crude oil to the oil palm agro-sector of the economy.

Speaking to The Tide, the beneficiaries in the training workshop, Mr. Andrew J. Egbelu, and Kio Miriam respectively said the training would go a long way to spur them in oil palm production.

Egbelu, a former Commissioner in the old Rivers State and an agriculturist said the training has exposed him to modern system that would boost the production of oil palm from local method of processing.

On behalf of the trainees, he thanked the management of Total E & P Nig. Ltd for the training and subsequent supports.

Source: The Tide



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Sime Darby Plantation Executive Deputy Chairman and Managing Director Tan Sri Mohd Bakke Salleh (centre) speaking to the media during the group's results briefing yesterday. Looking on are (from left) Chief Operating Officer Upstream Helmy Othman Basha, Chief Advisor and Value Officer Datuk Franki Anthony Dass, Chief Financial Officer Renaka Ramachandran and Chief Operating Officer Downstream Mohd Haris Mohd Arshad.

## BAKKE: DON'T RAISE MINIMUM WAGE FOR PLANTATION SECTOR

The Pakatan Harapan government's manifesto to raise minimum wage to RM1,500 should not be made mandatory for the plantation sector, according to Sime Darby Plantation Bhd.

The plantation giant's executive deputy chairman and managing director Tan Sri Mohd Bakke Salleh (pic) said the proposal to increase the minimum wage from the current RM1,000 threshold, would hike production costs and affect domestic plantation players negatively.

He also said the Malaysian Palm Oil Association is working on a petition related to the matter which would be submitted to the Government upon finalisation.

"In the event the election promise to raise minimum wage is fulfilled, it would have a major impact on the financial performance of all plantation companies. This is largely because of the industry's labour-intensive nature.

"On per tonne basis, the higher minimum wage would translate into an additional cost of about RM185 per tonne of crude palm oil (CPO)," Bakke told a media briefing on Sime Darby Plantation's financial results for the first nine months of financial year 2018.

In its manifesto for the 14th General Election, Pakatan promised to raise the minimum wage to RM1,500 nationwide during its first term in power. Of which, 50% of the wage hike would be defrayed by the Government.

The new government also planned to raise the minimum wage in Sabah and Sarawak to be equal to that of the peninsula.

Sime Darby Plantation recorded a 93%-increase in net profit on a year-on-year (y-o-y) basis to RM1.7bil in the first nine months ended March 31.

The surge in bottom line was primarily attributed to stronger overall fresh fruit bunches (FFB) production, lower finance costs and non-recurring gains.

The group's revenue in the period was up by 1.73% y-o-y to RM11.29bil from RM11.09bil a year earlier.

For the third quarter ended March 31, Sime Darby Plantation's earnings was down by 39% y-o-y to RM249mil.

The group said its third quarter performance was affected by lower production of FFB particularly in Indonesia, Papua New Guinea and Solomon Islands.

It was also affected by lower average CPO price and palm kernel price realised.

However, this was mitigated by lower finance costs incurred in line with lower borrowings during the quarter.

Its revenue declined 15.8% to RM3.66bil in the three-month period.

Earnings per share in the third quarter fell to 3.7 sen from six sen a year ago. The company did not declare any dividend for the quarter in review.

Bakke said the group was encouraged by the earnings for the financial year to date notwithstanding the challenging business environment that has impacted its performance in this quarter.

"We remain steadfast to deliver satisfactory results and we believe we are on track to achieve this on the back of continuous efforts to enhance productivity and cost efficiency.

"We are confident that the efforts to improve operational performance such as accelerated replanting, mechanisation and water management will support the achievement of our targets" said Bakke.

Source: The Star Online

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An oil palm worker harvesting fruits using a motorised sickle at IOI Loders Croklaan Asia Estate in Kluang, Johor. NSTP photo by MOHD AZREN JAMALUDDIN

# OIL PALM PLANTERS URGE GOV TO REDUCE TAXES AND ALLOW MORE FOREIGN LABOUR

Oil palm planters call on the new government for friendlier business policy by reducing taxes imposed on the sector and allowing more foreign worker intake as acute shortage has and continue to result in fruit wastage in the estates.

MEOA president Jeffrey Ong said acute labour shortage has resulted in wastage of billions of ringgit worth of crop left to rot due to lack of labour in utilising mechanised tools to harvest.

"We implore the government to come up with a long-term policy on the employment of foreign workers for the palm oil industry, rather than numerous short-term policies which are formulated and then implemented without consulting industry and without proper thought given to the longer term consequences of these policies," he said in a statement.

He explained foreign labour is needed in the plantation industry because local workers do not want to work in a sector that is seen as dirty, demeaning, dangerous and difficult (4D jobs).

"Help us achieve a stable workforce by promoting well-planned policies and fair legislation on the employment of foreign workers," he said.

In addition to the labour issues faced, Ong also pointed out oil palm planters contribute one of the highest taxes of all the economic sectors.

Over the past three years from 2015 to 2017, MEOA estimated the palm oil sector has paid about RM21.5 billion in taxes to the government — RM5.5 billion in 2015, RM7 billion in 2016, and RM9 billion in 2017.

For this, he pleaded with the new government to 'comprehensively re-look at the taxes on the sector and reduce them to a fair level that encourages reinvestment for future growth.'

Apart from MEOA, the Malaysian Palm Oil Association (MPOA) which also represent oil palm planters said many of its members are suffering from persistent low palm oil prices in the global vegetable oils market.

While palm oil prices are essentially shaped by supply and demand forces, MPOA noted that one cannot deny prices are unfairly suppressed by trade barriers be it tariffs imposed in consuming countries or technical requirement that ban and reduce usage of this versatile oil.

Malaysia and Indonesia, which supply around 60 million tonnes of palm oil or more than 85 per cent of the world's palm oil supply face trade threat in the European Union (EU).

Earlier this year, EU lawmakers had proposed to ban palm oil from its biodiesel programme, by the end of 2020.

This, MPOA highlighted, is exemplary of trade barriers that go against the spirit of free trade agreements and violate commonly accepted rules under the World Trade Organisation.

Source : [www.nst.com.my](http://www.nst.com.my)

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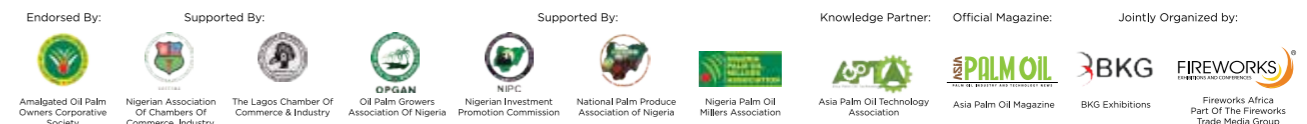
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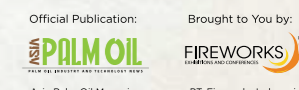
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# MALAYSIA'S SMALL FARMERS DEFEAT EUROPE'S PLANNED BAN ON PALM OIL BIOFUELS

## Compromise Agreement on RED is Reached; Ban on Palm Oil is Rejected

Malaysia's Small Farmers took a major step towards defeating the EU's planned ban on Palm Oil biofuels, after the EU reached a compromise position on the Renewable Energy Directive (RED).

To be clear: the final text of the RED agreed by the negotiators, did not include any ban on Palm Oil biofuels. Explicit criticism of Palm Oil was also removed from the final RED text.

This is good news for Malaysian Small Farmers, in the face of a concerted and aggressive campaign by a chorus of protectionists from Europe. It is important to remember why this matters:

- 650,000 Malaysian small farmers and their families depend on Palm Oil
- Palm Oil is the biggest driver of poverty alleviation for rural communities
- The EU ban would have harmed the incomes and livelihoods of these families
- Defeating the ban is a win for economic development over protectionism

In January 2018, the EU Parliament voted overwhelmingly in favour of a total ban on all Palm Oil biofuels, from 2021. That plan was rejected by the EU Commission and by EU governments, following a well-directed campaign from Malaysian Small Farmers.

The proposed Palm Oil ban from 2021 has been completely removed from the final RED text that was agreed in Strasbourg on 13 th June.

A final vote is now required in the EU Parliament and Council to confirm the RED Directive.

Dato' Haji Aliasak Bin Haji Ambia, President of the National Association of Small Holders (NASH), said:

*"We are pleased the EU's planned ban on Palm Oil biofuels from 2021 was rejected. The ban was anti-WTO, protectionist, discriminatory, and totally unacceptable. No ban on Palm Oil will take place, and the European market will remain open to Palm Oil biofuels."*

"This is a cause for celebration for all Malaysians, especially the 650,000 small farmers and our families across the country. All those in Europe who lobbied for a Palm Oil ban were really lobbying for poverty and hardship for Malaysians.

"Members of the European Parliament sought to sentence Malaysia's Small Farmers to a life of poverty.

They have stated already their plan to control Palm Oil again after 2019 through ILUC and a new regulation on Palm Oil imports for food. This is more of the same: discrimination and unequal treatment. The fight continues."

### HERE ARE THE FACTS:

#### The Original Ban

On 17 th January 2018, the EU Parliament demanded three very simple things:

1. Total ban on all palm oil biofuels under the RED
2. The ban to begin immediately in January 2021
3. No other oil crops would be subjected to this criteria or discrimination. Only palm oil.

All three of these points have been deleted from the final RED Compromise Agreement on 13 th June 2018. The EU ban on Palm Oil has been defeated.

### The Situation Today

The three EU demands were defeated, and replaced with the following in the RED compromise text:

1. EU Commission will present a report in 2019 about how to calculate ILUC and HCS emissions from biofuels considered "High Risk." No specific crop is targeted.
2. Based on the new EU report on high risk biofuels, some biofuels will be capped at their 2019 import level. There will be no ban on any crop. No specific crop is currently targeted for a phase-out.
3. Based on the new EU report, some biofuels may be gradually phased out from 2024-2030. There will be no ban on any crop. No specific crop is targeted, as of today.

Palm oil is not mentioned, or targeted, at all in the new text.

It is entirely inaccurate to state that palm oil has been banned or phased out under the RED. That statement no longer exists in the final RED text.

### Looking Ahead

The EU Commission's planned report on ILUC and High Carbon Stock in 2019 will be the beginning of the next battle over Palm Oil biofuels. ILUC has been condemned as junk science by economists and experts worldwide. Opponents will now attempt to use ILUC and HCS as the vehicles to restrict the future use of Palm Oil biofuels in Europe.

### Draft version of the RED Compromise Text – Article 25

In case the contribution from biofuels and bioliquids, as well as from biomass fuels consumed in transport, produced from food and feed crops in a Member State is limited to a share lower than 7% and/or a Member State decides to limit the contribution further, that Member State may accordingly reduce the overall share referred to in the first sub-paragraph.

The contribution to the targets set out in Article 3(1) and Article 25(1) from high indirect land-use change risk food or feed crop-based biofuels, bioliquids and biomass fuels produced from crops for which a significant expansion of the production area into land with high carbon stock is observed, shall not exceed the level of consumption in 2019 in the Member State, unless they are certified as low indirect land-use change-risk biofuels, bioliquids and biomass fuels pursuant to []. As of 31 December 2023, their contribution shall decrease gradually to reach a contribution of 0% by 31 December 2030 at the latest.

The Commission shall submit, by 1 February 2019, to the European Parliament and the Council a report on the status of production expansion of relevant food and feed crops worldwide and shall adopt, by 1 February 2019, a delegated act setting out the criteria for certification of low indirect land-use change-risk biofuels, bioliquids and biomass fuels and for establishing the high indirect land-use change risk feedstocks for which a significant expansion of the production area into land with high carbon stock is observed. The report and the accompanying delegated act shall be based on the best available scientific data.

Source: [facesofpalmoil.org](http://facesofpalmoil.org)



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Mr. Khor Kheng Khoon, founder and managing director of LintraMax.

# LINTRAMAX LAUNCHES QUARTOCONNECT TO HELP MODERNIZE OIL PALM PLANTATIONS

LintraMax (M) Sdn. Bhd., a provider of digital plantation management solutions today launched QuartoConnect, a new application to help oil palm planters streamline work processes at their plantations. The new application, which runs on mobile devices functions as a tool for planters to digitally record data of activities on the field and have them stored in a cloud-based system. This makes it easier for managers at the main office to access field data quickly and at any time. Moreover, with QuartoConnect planters no longer need to rely on paper-based log books or other manual methods. QuartoConnect is now available for oil palm plantations in Malaysia and Indonesia.

Among key features of QuartoConnect are:

**Worker Attendance:** QuartoConnect is integrated with a biometric device to read fingerprints. This allows workers' attendance to be recorded and verified quickly.

**Crop Harvesting:** Recording of crop production with GPS location tagging improves traceability and enhance crop quality monitoring.

**Crop Evacuation:** Monitors crop evacuation efficiency to improve crop freshness and reduce crop backlogs and losses. An important factor affecting oil extraction rate (OER).

Mr. Khor Kheng Khoon, founder and managing director of LintraMax said, "LintraMax's goal is to digitize agricultural practices. In 2016, we launched Quarto which was a catalyst for customers to embrace digital solutions for their plantations. We saw that there was still an information

gap between field operations and monitoring, and that is why we have come up with QuartoConnect. This is our approach to extend the digitization of plantations to include work at the field level as well, not just at the main office."

QuartoConnect comes as a new module of Quarto, which is LintraMax's award-winning (MSC Malaysia APICTA Merit Award 2017) cloud-based plantation management system, but it can also be deployed independently or as a standalone application.

With QuartoConnect, users can record data even when the application is offline in plantation areas where there is no Internet connection. Once it is connected to the Internet, all data will be uploaded to its cloud-based central system.



For plantation companies, having proper recording of data on the field is crucial for their business. In many cases, planters are still stuck with using conventional methods including paper-based log books. Not only are these not easy to manage but they also make reporting of field data to main office a long process.

"We have also discovered that lack of workers, poor crop harvesting quality, and crop losses are among the biggest operation challenges faced by many planters. So, digitization of these processes helps improve traceability and monitoring of field operations, which can reduce the impacts of these challenges," Mr. Khor explained.

QuartoConnect is available directly from LintraMax and via a subscription basis. Aside from the application itself, the Company also offers third-party hardware devices of fingerprint readers and portable printers that are sold separately.

### About LintraMax:

Founded in 2002, LintraMax (M) Sdn. Bhd. is a provider of integrated plantation management solutions for plantations of palm oil, rubber, and other crops. To date, its solutions have been deployed in plantations in Malaysia, Indonesia, and Papua New Guinea. LintraMax clients include FELCRA Berhad, Malaysia Palm Oil Board (MPOB), JC Chang Group, SIPEF Group, MP Evans Group, Tamaco, Melangking, and Lembaga Getah Malaysia.

An MSC status company, LintraMax is headquartered in Petaling Jaya, Selangor with a software development center in Penang and a sales office in Jakarta, Indonesia. LintraMax was an Enterprise 50 company by SME Corp. Malaysia in 2017. Visit LintraMax at [www.lintra-max.com](http://www.lintra-max.com).

# IPOSC

INTERNATIONAL PALM OIL SUSTAINABILITY CONFERENCE 2018  
19-20 September 2018

Shangri-La's Tanjung Aru Resort & Spa, Kota Kinabalu, Sabah, Malaysia



The 5th IPOSC 2018 is a dedicated platform that focuses on current and emerging sustainability issues in the palm oil industry. These include global agricultural sustainability, certified sustainable palm oil, wildlife conservation and deforestation. Updates on sustainability initiatives and achievements by the palm oil industry will also be highlighted.

- ✓ 6 technical sessions and 23 presentations on key sustainability issues
- ✓ Evening Forum on 'Sustainability Goals Current and Future'
- ✓ Expert Panel Debate on 'Sustainable Palm Oil - More Uncertainties or a Brighter Future?'
- ✓ Sponsorship and Exhibition Opportunities
- ✓ Malaysian Palm Oil Sustainability Showcase



For more information, please visit [www.mpoc.org.my](http://www.mpoc.org.my)  
Contact us: Tel: 603-7806 4097 | Fax: 603-7806 2272 | Email: [iposc2018@mpoc.org.my](mailto:iposc2018@mpoc.org.my)  
Contact persons:  
Mr. Hassan Ismail (Sponsorship/Exhibition)  
Ms. Sarafhana Dollah/Ms. Nooraziah Azman (Registration)



# ALL EYES ON AGRI MALAYSIA THIS SEPTEMBER 2018



Looking forward to a target of 300 booths at Agri Malaysia 2018

The third edition of Malaysia International Agriculture Technology Exhibition (Agri Malaysia) continues to be the eye-catcher in the Malaysian agriculture sector once again. This spectacular trade event is scheduled to be held from 27 to 29 September 2018 at Setia City Convention Centre 2 (SCCC), Shah Alam, Selangor, Malaysia.

Since its first establishment on 2016, the exhibition has successfully gained much attention from the agricultural community due to the rich content offered. With no exception this year, the team of Agri Malaysia continues to strive on taking the exhibition to a greater level.

"We have expected 300 exhibiting booths this year, which is a double number from last year, to present a more comprehensive showcase and we aim to make a greater breakthrough on category of exhibits, number of participants, as well as show day programs.

We are much encouraged that the industry-related organizations, be it government departments or private associations, continue to give us their full support and passion to be involved in," said by Mr. Roger Lim, the Managing Director of One International Exhibition Sdn Bhd, which is the event management company of the said exhibition.

"We are grateful that the exhibition is well-responded by the market players as up to date, we have achieved a booth selling rate of over 80%. Apart from having the existing exhibitors from past editions, our team has also continued to seek for unique categories of agricultural products and technologies, hoping that a different variety of innovative technologies from abroad could be impressively introduced to local audience, and at the same time, not limit the promotion of our domestic high-quality products to the local agricultural market as well.



A knowledge sharing session by Agri Expert to the visitors



◀ Crowd Visitor at Agri Malaysia 2017

## A BRAND NEW MEDIA COLLABORATION

In addition to the well-planned series of pre-show and show day publicity and promotion activities, Agri Malaysia 2018 will also join hands with Chinapress, the local Chinese newspaper with the fastest growth in number of distributing copies among Chinese newspapers and the most readership in Klang Valley and East Coast, to publish the 'Agri Malaysia 2018 Exhibition Supplement' nationwide on 27 September 2018.

"Other than the partnership with Chinapress, we have also worked together with Agri Farm, the local Chinese agricultural magazine with over 30 years of experience to provide our exhibitors a wider range of exposure on different channel and platform. We do welcome Exhibitors to contact us and find out the interesting details, and how they can get involved in this collaboration for a greater promotion result," said by Roger Lim.

## CONSECUTIVE ENDORSEMENT FROM MATRADE

Agri Malaysia is proudly endorsed by Malaysia External Trade Development Corporation (MATRADE) once again for its international trade fair status. It is the only one agriculture trade event in Malaysia to be endorsed by MATRADE and with this endorsement, the qualified exhibitors could enjoy a Market Development Grant with the amount up to RM 5,000 for their participation and the great opportunity to face-to-face interact with quality visitors and the chance to promote themselves to overseas market.

"In addition to the subsidy or fund provided by Ministry of Agriculture and Agro-Based Industries itself, we hope the benefits which are the results of our hard effort could help our exhibitors to go further and stronger by providing a cost-saving method while maximizing their market potentials. Exhibitors are welcome to logon [www.matrade.gov.my](http://www.matrade.gov.my) to find out more details about Market Development Grant and its criteria," added by Roger Lim.

For more show updates, visitors are **WELCOME** to subscribe to the exhibition's monthly e-newsletter or follow Agri Malaysia Official Facebook.

For those who would like to grab the exhibiting space, do contact Mr. Johnson Chua at **+6012-953 2488** at soonest time as there are only limited booths available.

To get free admission to the exhibition, visitors are welcome to logon [www.agrimalaysia.com](http://www.agrimalaysia.com) to pre-register a visitor pass.



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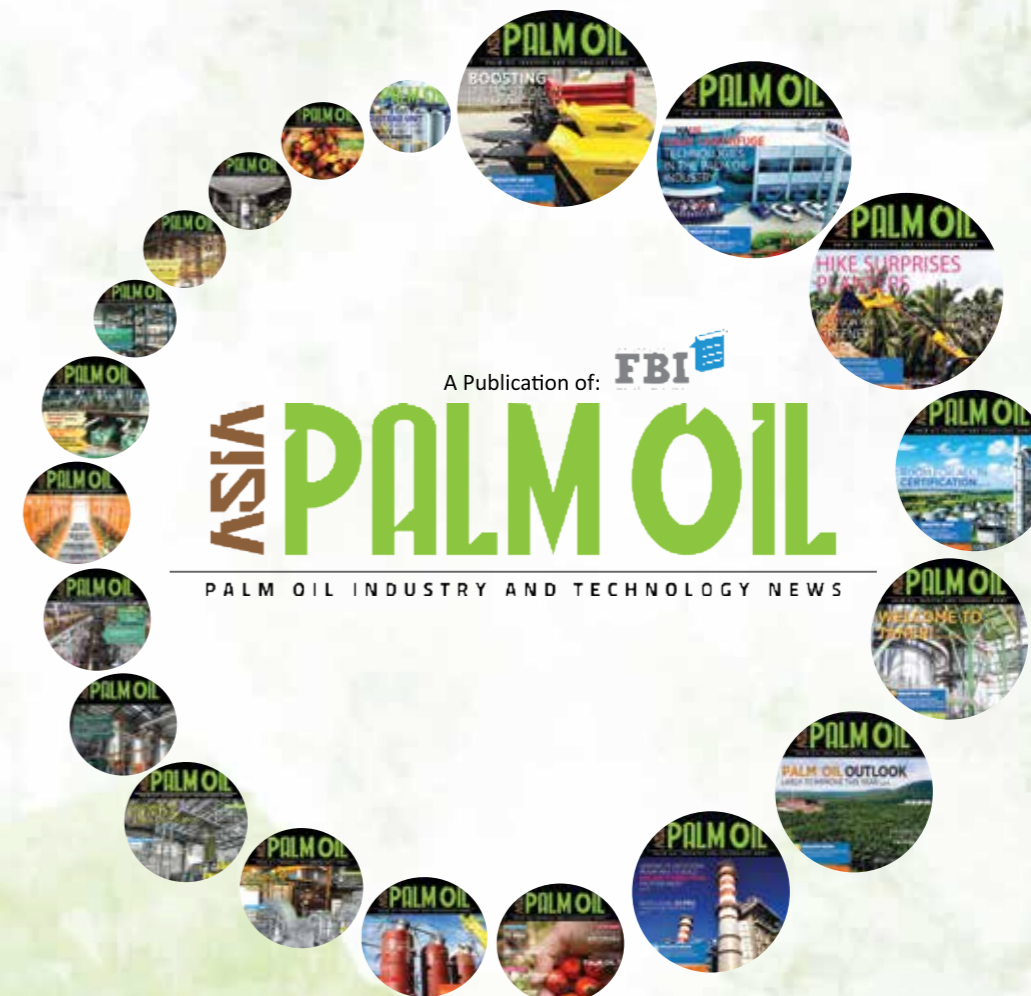
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**TEL** : +606-9859 155 / 9859 076 / 9857 518  
**EMAIL** : ykl@yklgroup.com.my  
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## DESLEUDGING & DEWATERING



Screw Press Desludging and Dewatering Machine



Rotary Drum Press Belt Filter Press



<b>Dimension (mm)</b>	5100(L) x 2525(W) x 2560(H)
<b>Power Consumption (hp)</b>	8
<b>DS Standard Treatment Capacity</b>	390~480 kg/hr
<b>Influent Treatment Capacity</b>	15-30 m <sup>3</sup> /hr

<b>Belt Width (mm)</b>	1500
<b>Power Consumption (hp)</b>	5
<b>DS Standard Treatment Capacity</b>	180~308 kg/hr
<b>Inlet Capacity (S.S. 1.5%-2.5%)</b>	12-20.5 m <sup>3</sup> /hr

## PREVENTIVE MAINTENANCE PROGRAM



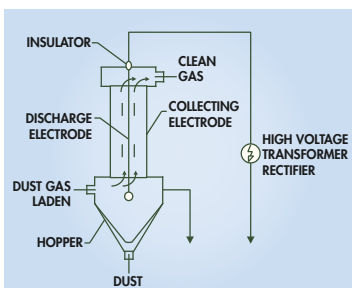
A software that's assist maintenance team to operate, control and monitor the maintenance management. To verify the regulatory compliance and produce reports and summaries for all maintenance activities, scheduling maintenance program.

- Reduce breakdown
- Improve control
- Increase profits
- No training require



## ELECTROSTATIC PRECIPITATOR ( ESP )

To achieve the discharge particulate matters **below 150ppm** after boiler chimney. **Boiler Flue Gas Dust Removal System** is suitable to install for any biomass boiler.



- The dust laden flue gas flows through a system which consists of collecting electrodes and discharge electrodes.
- The high field strength in the vicinity of the discharge electrodes will create a Corona Effect.
- The charged dust particles will migrate to collecting electrodes and dust layer will accumulated and formed.
- The accumulated dust layer will remove to the hopper by the rapping system.



## SOLID REMOVAL & OIL RECOVERY SYSTEM



COD/BOD of discharge is reduced by 65% to 75%. Increase Oil Extraction Rate (OER) of mill 0.4% - 0.6%.