Vol. 6 No. 3, Oct - Dec 2017

ASIA PALM OIL

A Publication of FBI
www.fireworksbi.com
fireworks business information

PALM OIL INDUSTRY AND TECHNOLOGY NEWS

SAY YES TO SUSTAINABLE PALM OIL

CELEBRATING 100 YEARS OF COMMERCIAL PLANTING IN MALAYSIA

PALM OIL, A POTENTIAL CASH COW

BEUCO PARAGON FOR SUSTAINABILITY

ISSN 2289-1072

RM 10/ USD 5

www.asia-palmoil.com

YKL GROUP OF COMPANIES

SRORS

AquaEco

SOLID REMOVAL & OIL RECOVERY SYSTEM

A Proven technology where it can solve mill raw sludge discharge problem in the mill oil room itself by removal of suspended solids, reduction of COD/BOD, and recovery of oil with payback in 2-3 years. It contributes up to 30% of mill's profit. The system stops the problem before it becomes a problem in the effluent ponds !

Raw sludge filter through **AquaEco** Reactor produces a clear filtrate with negligible oil and suspended solids. COD/BOD of discharge is reduced by 65% to 75%. Increase Oil Extraction Rate (OER) of mill 0.4% - 0.6%.

FILTRATE TEST RESULTS :

Type of Test	Test Methods	Results	
		POME	Filtrate
pH VALUE	APHA 4500-H B	4.73@25.6°C	4.69@25.6°C
Biochemical Oxygen Demand (3 Days @ 30°C), mg/L	DL-LAB-TM01 (based on MN Method 8-22)	48.100	13.410 ← BOD 70% Reduction
Chemical Oxygen Demand, mg/L	DL-LAB-TM02 (based on MN Method 0-26; 0-28; 0-29)	78.000	19.500 ← COD 75% Reduction
Ammonial Nitrogen (NH3-N), mg/L	DL-LAB-TM03 (based on MN Method 1-05)	70	12
Total Nitrogen, mg/L	DL-LAB-TM04 (based on MN Method 0-88)	590	28
Oil and Grease, mg/L	DOE (M) Reference Method	13.812	3 ← Oil is almost non-detectable
Suspended Solids, mg/L	DOE (M) Reference Method	24.600	31 ← 99.90% of Suspended Solids removed
Total Solids, mg/L	APHA 2540 B	49.750	20.760

* The system has consistently shows that there is less than 300ppm of oil and less than 300ppm of suspended solids in the filtrate. COD-BOD of filtrate discharge to effluent pond is about 30% of original raw sludge COD-BOD.

* **AquaEco** ***cutting edge patented green technology*** provides the first real breakthrough to recover residual oil and remove all suspended solids from raw sludge at the Oil Room before discharge to the effluent ponds.

YKL ENGINEERING SDN. BHD. (Reg. No.: 568547-U)
YTH AGRI-TECHNOLOGY SDN. BHD. (Reg. No.: 820140-D)
PT. YKL INDONESIA

Lot 663, Batu 10, Kampung Paya Panjang, Bukit Pasir, 84300 Muar, Johor, Malaysia.
Tel : +606-9859 155 / +606-9859076 / +606-9857 518 Fax : +606-9857 567 / +606-9857 576
Email : ykl@yklgroup.com.my Website : www.yklgroup.com.my

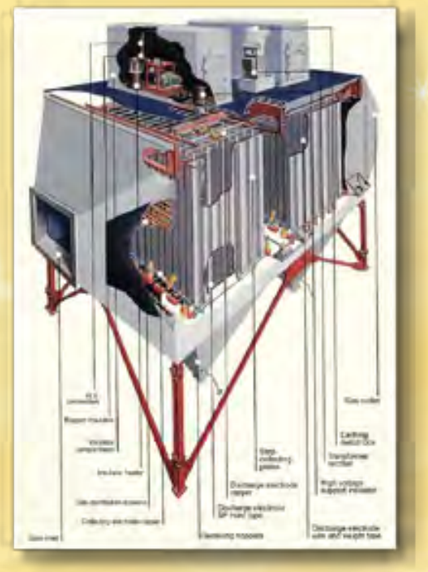
YKL GROUP OF COMPANIES

BOILER FLUE GAS DUST REMOVAL SYSTEM

- To achieve the discharge particulate matters below 150ppm after boiler chimney
- Suitable to install for any biomass boiler

Electrostatic Precipitator (ESP)

- 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 to 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.

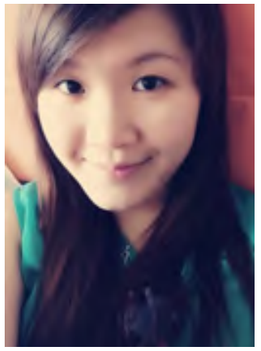


Wet Scrubber

- The dust laden flue gas flow through swirl vane plane causing the gas to swirl upward inside the cylindrical compartment.
- The counter flow of water film created by the spiral nozzles to provide the scrubbing action on the dust laden gas.
- The dust will trapped by the water and flows down the cylindrical compartment to the discharge point.
- The clean gas then flow out at the top of cylindrical compartment

40yrs experience in palm oil industry

Editor's Message



As I sat down to pen this column, I had a startling realization: This issue marks my 6th year with Asia Palm Oil Magazine. Wow! Has it really been that long since I started this magazine? It seems impossible that much time has passed.

I remember some parts of the first day I started this magazine like they were yesterday. I was wide-eyed and eager to tackle any assignment my bosses gave me, but without much agriculture background, it was intimidating having to learn the palm oil industry.

Through my first task – sourcing news for our quarterly magazine – I began to understand which current events impact the profitability and growth of palm oil businesses.

I've changed and learned a lot in the last 6 years too. Through trade shows, conferences, mills and factories visits, I've gained a wealth of knowledge from palm oil upstream to downstream, from plantations to refineries and more!

One thing that hasn't changed over my career here with palm oil is the resilience of the people involved in the industry, who are constantly seeking opportunities in challenging times – ways to improve their risk management or palm oil handling strategies to better position themselves in the market.

This positive attitude from our readers and advertisers is something I've come to count on, as we adapt to the changes we experience over time together.

So to you, along with my association contacts, experts from universities and agencies, equipment suppliers and other mentors who have served as part of my ongoing education: Thank you! I'm excited to see where the next 10 years will take us, and I'm happy to have all of you by my side.

Thank you.

Editor,
Charlyne Lee

PUBLISHER
FBI Publications (M) Sdn Bhd

GENERAL MANAGER
Charlyne Lee
charlyne@fireworksbi.com

PUBLICATION MANAGER
Vanny Lim
my@fireworksbi.com

MARKETING COMMUNICATION
Nur Izyan binti Dzulkifli
izyandzul@fireworksbi.com

CREATIVE
Diong Wai Kit

EDITORIAL CONSULTANTS
Kenny Yong

BOARD OF DIRECTORS
Kenny Yong
Susan Tricia
Mervyn Yong

CONTRIBUTORS
Alfa Laval Malaysia Sdn. Bhd.
PMT Industries Sdn. Bhd.
SP Energy Sdn. Bhd.
Taner Industrial Technology (M) Sdn. Bhd.

OFFICIAL MAGAZINE OF:

FBI Publications (M) Sdn Bhd (1168942-P)
W505, West Wing, Metropolitan Square, No.2 Jalan PJU 8/1,
Damansara Perdana, 47820 Petaling Jaya, Selangor
Tel: (+603) 7493 5947 Fax: (+603) 7493 5977

DISTRIBUTED BY:
Central Paper Agencies Sdn Bhd (111330-T)
11, Jalan SS 13/3C, Subang Jaya Industrial Estate,
47500 Selangor Darul Ehsan.
Tel: (+603) 5636 1278 / 5636 1358 Fax: (+603) 5636 1952
Email: cpa@tm.net.my Web: www.centralreader.net

PRINTED BY:
Universe Colour Printing Sdn Bhd
No 25 Jalan PBS 14/7, Taman Perindustrian Bukit Serdang,
43300 Seri Kembangan, Selangor

Available at the following major bookstores and other outlets:

ANNOUNCEMENT
Asia Palm Oil Magazine is now published by FBI Publications (M) Sdn Bhd. The last company Fireworks Business Information (M) Sdn Bhd is already inactive and no longer represents Asia Palm Oil Magazine or is affiliated to Fireworks Trade Media Group in any manner.

ENDORSED & SUPPORTED BY:

CONTENTS

10

ORGANIZATION NEWS

08 PMT Group

10 SP Energy Sdn Bhd Eyes Greater Market Potential In The Malaysian Palm Oil Industry For Its Biogas To Power Generation Solution After Getting The “Local Assembler” Status From SEDA (Sustainable Energy Development Authority)

14 Strong Performance In Malaysia Prompts Endress+Hauser To Expand And Launch New Customer Service And Training Facility In Malaysia

INDUSTRY NEWS

16 Palm Oil: MPOB Transfers ‘Santan Sawit Plus’ Technology To Two Companies

18 Timber, Oil Palm Sectors Urged To Go Into R&D

20 Is The Indonesian Palm Oil Industry Turning The Corner?

22 Special Dialogue Session With Captains From Oil Palm Industry On Issues Revolving Malaysian Palm Oil Export

24 BT30-BN Infrastructure Plan For South

26 Obaseki Embarks On Investment Drive In Indonesia

28 Businesses Urge Indonesian Gov’t To Sign Free Trade Deals

32

INTERNATIONAL NEWS

30 Philippine Palm Oil Plan ‘Equals Corruption And Land-Grabbing,’ According To Critics

32 Zambia Gov’t Invests 16 Mln USD In Palm Oil Production Project

34 Ri, Uzbekistan To Enhance Cooperation In Agriculture

36 Palm Oil, A Potential Cash Cow

REFINERY NEWS

38 Japanese Company To Establish Palm Oil Processing Factory

40

COVER STORY

40 Interview With Dr. Ir. Iskandar Andi Nuhung, Executive Director Of Indonesia Palm Oil Board (IPOB).

44

32 Procurement Corner

In The Hot Seat

44 Interview With Dato’ Yeat Siaw Ping, CEO Of IBG Manufacturing Sdn. Bhd.

48

SPECIAL INSIGHT

48 Doubts Cloud Kenya’s Renewed Palm Oil Ambitions

38

GREEN SOLUTION

52 Say Yes To Sustainable Palm Oil

54 Beuco Paragon For Sustainability

56 Malaysia, Indonesia In Talks With China On B5 Biodiesel Programme

60

DID YOU KNOW ?

60 The Story Of The Palm Oil Industry In Malaysia In Pictures

TECHNOLOGY & PRODUCT NEWS

62 Alfa Laval Evaporation System As Methane Avoidance Method
Your palm oil mill’s game-changing solution towards near zero liquid discharge

64

THE PLANTER’S CORNER

64 Smallholders Benefit From RISDA’s Assistance Via Business Ventures

66 Innovative Terengganu School Profiting After Transforming Idle Land Into Oil Palm Smallholdings

68

FBI IN ACTION

68 The 7th Edition Of Thailand’s Largest Palm Oil Exhibition Ended On A High Note With More Than 2000 Trade Visitors And USD 30 Million Worth Of Potential Transactions!

70 Sima Asean Thailand 2017

72 Cmt’s 9th Asia Sustainable Oil Palm Summit

74 Mosta Best Practices Workshops In 2017

PMT GROUP

PMT Group is a member of Wah Seong Corporation Berhad and is a prominent player in the renewable energy and agro-industry sectors and has a commendable reputable name in the global palm oil Industries. It is also a manufacturer of a wide range of equipment and spare parts for the palm oil mill industry. We strive to maintain our leadership position in the market by offering products integration with strong after sales support.

Presently, we command 70% of the steam turbine market share in the regional palm oil industry. The manufacturing and assembly of our steam turbines; 2000kW and below (RB4M and RB5M) is done through the joint venture company, PMT Shinko Turbine Sdn Bhd under the "Shinko" brand. 'Shinko" brand is one of the world's most reputable brands with strong brand equity and is equated with reliability and good performance by clients around the world. Other higher capacity turbines are being manufactured by Shinko in Japan. In 2016, JV Company successfully commissioned the testing facility in our Shah Alam factory. This new facility makes the JV Company the only fully integrated turbine assembly facility in the ASEAN region. This will further improve the competitiveness of Shinko turbines as its translates to a reduction in cost and delivery lead time for our customers.

We also specialize in the design and fabrication of kernel crushing plants as well as mechanical press machines for oil seeds, palm fibers and various spare parts under the PMT-Dong Yuan brand.

To pursue our vision to become a world class service provider, we further expanded our product range by collaborating with Saito Separator Ltd. Japan to produce the PMT-Saito SID Decanter; a state of the art, robust machine perfect for high capacity by providing continuous separation of oil, sludge and solids for the palm oil industry.

PMT has 5 operation offices located in Malaysia and Indonesia servicing clients throughout Africa, Latin America and South East Asia.

SP ENERGY SDN BHD EYES GREATER MARKET POTENTIAL

IN THE MALAYSIAN PALM OIL INDUSTRY FOR ITS BIOGAS TO POWER GENERATION SOLUTION AFTER GETTING THE "LOCAL ASSEMBLER" STATUS FROM SEDA (SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY)

SP Energy Sdn Bhd is the Authorised Dealer for MWM Gas and Biogas Gensets and Authorised OEM partner for MAN Gas and Diesel engines in Malaysia

SP Energy specializes in the niche market of Power generation via Gas and Biogas Gensets utilizing Natural Gas, Biogas Gas, Landfill Gas and Sewage Gas as its fuel source.

The application of these engines are diverse in various industries for e.g Palm Oil Mills, Sanitary Landfill sites, Sewage Treatment Plants and for Industrial application such as Glove Manufacturing, Electronics industry in the form Cogeneration or Combine Heat and Power Application

SP Energy Sdn Bhd has supplied, installed and commissioned over 60 MW of MWM Gas and Biogas gensets in Malaysia since 2008. Over this 8 year period, we have developed a core team of competent Engineers and Technicians who are able to execute the design, installation, project management and commissioning of the Gas/Biogas gensets. SPE has undertaken many turnkey projects which may also include other balance of plants such as Gas pipings, Biological scrubber, Gas dehumidifiers, Heat recovery systems, Civil works etc.

SP Energy Sdn Bhd offers a full lifecycle service which includes Long Term Service Agreement (LTSA). This includes after sales such as sales of Original spare parts and trained service personnel

with appropriate competency levels to handle the full maintenance cycle, diagnostics and trouble-shooting of gensets which are in operation.

SEDA Local Assembly Qualification: SP Energy has acquired and been certified by SEDA (Sustainable Energy Development Authority) with a "Local Assembler Status" since 1st Jan 2017. This entitles a developer of a Biogas to power generation plant to an additional bonus tariff of RM 0.05/kWh.

The MWM gas engines are design and manufactured in Mannheim, Germany. Only the engine, alternator, gas train and local panel is delivered to Malaysia. SPE's responsibility is to design, fabricate and integrate all the balance of plant components to complete an installation. The balance of plant scope is as below:

- Installation of Water pumps (HT and LT)
- Installation of thermostatic 3-way valves
- All sensors and instrumentations for the genset
- Fabrication of Genset cooling skid
- Fabrication and installation of Genset acoustic enclosures
- Fabrication and installation of Exhaust silencers
- Fabrication and Installation of Ventilation fan and Intake silencers and necessary ducting
- Fabrication and installation of gas and water piping works
- Installation of all electrical control cables
- Installation of all power auxiliary cables
- Installation and integration of Genset controls to Generator Control Panel and Circuit breakers

PRODUCT PORTFOLIO

- MWM & MAN Gas and Diesel Gensets
- Electric Power Range from 100 kWe to 4,300 kWe
- Co-generation & Tri-generation Solutions
- Modular Concepts for easy Installation

CONTACT DETAILS

+ 603 7804 6066
17 Jalan PJU 3/48,
Sunway Damansara,
47810 Petaling Jaya, Selangor.
info@spnergy.com
www.spnergy.com

SP ENERGY SDN BHD
ALTERNATIVE ENERGY PARTNERS
Authorised Dealer Engine Partners
MWM Energy. Efficiency. Environment. MAN

PRODUCT PORTFOLIO

- MWM & MAN Gas and Biogas Gensets
- Electric Power Range from 100 kWe to 4,500 kWe
- Co-generation & Tri-generation Solutions
- Modular Concepts for easy Installation


KUB-Berjaya Energy
Bukit Tagar Landfill


Felda Palm Industries
Serting Hilir Palm Oil Mill


Topglove Bhd


United Plantations Bhd
UIE Palm Oil Mill


Felda Palm Industries
Maokil Palm Oil Mill


Hap Seng Plantations
Jeroco Palm Oil Mill


KLK Berhad
KLK Kekayaan Palm Oil Mill

IMPROVING POWER SYSTEM RELIABILITY

Total-Life cycle support

Your Alternative Energy Partner

MWM
Energy. Efficiency. Environment.

Authorised Dealer
Gas and Biogas Genset
-Local Assembly Status
by SEDA (Sustainable Energy Development Authority)

TURNKEY SOLUTIONS

- Engineering & Design
- Complete delivery and assembly of gas and Biogas power generation plants
- Complete delivery of Bioscrubber, blowers and Gas dehumidifier system

CONTACT DETAILS

+ 603 7804 6066
17 Jalan PJU 3/48,
Sunway Damansara,
47810 Petaling Jaya, Selangor.
info@spnergy.com
www.spnergy.com

SP/0617

SP ENERGY SDN BHD
ALTERNATIVE ENERGY PARTNERS

Authorised Dealer: MWM (Energy. Efficiency. Environment.)
Engine Partners: MAN

PRIME STEAM TURBINES

Designed in the USA with over 70 years of total steam turbine experience

- **Installation In Palm Oil, Steel, Sugar, Paper, Rice & Bagasse Industries**
- **Complete Packaged Systems with Steam Turbine, Gearbox, Generator, Lube System And Controls**
- **API Compliance**
- **Supply To All Major OEM, EPC & end user**

SPECIFICATIONS

ITEM	TYPE	19H	24H	28H	28M
1	Max. Inlet Pressure (psi)	700	700	700	700
2	Max. Inlet Temperature (F)	750	750	750	750
3	Max. Exhaust Pressure (psi)	vac-100	vac-100	vac-100	vac-100
4	Speed (RPM)	1000-6000	1000-6000	1000-6000	1000-6000
5	Maximum Power (HP)	900	1600	3500	7000
6	Max. Inlet Diameter (in)	4	6	8	8
7	Max. Exhaust Diameter (in)	10	14	16	20
8	Hand Control Valve	0-2	0-2	0-2	0-2

JA MAN

Jasa Aman Engineering SDN BHD
Jasa Aman Sales and Services SDN BHD
39/39A, Jalan 23, Taman Bukit Kuchai, Batu 8, Jalan 47100 Puchong, Selangor Darul Ehsan, Malaysia
Tel: +603-8075 6521, 8075 6750 Fax: +603-8070 2436, 8075 6485
Email: primeturbine@jasaaman.com Web: www.jasaaman.com

[From L – R] Daniel Bernbeck, Executive Director, Malaysian-German Chamber of Commerce & Industry; His Excellency Michael Winzap, Swiss Ambassador to Malaysia; Chow Mun Kong, Managing Director of Endress+Hauser Malaysia; Yang Berbahagia Dato' Azman Mahmud, Chief Executive Officer of Malaysian Investment Development Authority (MIDA); Matthias Altendorf, Chief Executive Officer of Endress+Hauser Group; and Tony Jacobsen, Corporate Sales Director Asia-Pacific of Endress+Hauser Group during the launch of Endress+Hauser's new customer service and training facility.

STRONG PERFORMANCE IN MALAYSIA PROMPTS ENDRESS+HAUSER TO EXPAND AND LAUNCH NEW CUSTOMER SERVICE AND TRAINING FACILITY IN MALAYSIA

Swiss-based, Endress+Hauser has invested 4.5 million euros (RM 22.06 million) in a new customer service and training facility in Shah Alam in tandem with its strong performance over the company's history in Malaysia.

The process instrumentation and automation company whose clients include Petronas, Nestle, F&N CC, BASF, Felda, IOI, Sime Darby, KL-Kepong, Mewaholeo, PGEO was awarded the best performing facility among 40 Endress+Hauser offices worldwide in 2008. The new facility demonstrates the company's commitment to the local market, and also signals Endress+Hauser's move towards digitalization and Industrial Internet of Things (IIoT).

Officiating the event was Yang Berbahagia Dato' Azman Mahmud, Chief Executive Officer of Malaysian Investment Development Authority (MIDA) and witnessed by His Excellency Michael Winzap, Swiss Ambassador to Malaysia, Matthias Altendorf, Chief Executive Officer of Endress+Hauser Group, Tony Jacobsen, Corporate Sales Director Asia/Pacific of Endress+Hauser Group and Chow Mun Kong, Managing Director of Endress+Hauser Malaysia.

Dato' Azman Mahmud, Chief Executive Officer of Malaysian Investment Development Authority (MIDA) said, "We are pleased that Endress+Hauser which has been in Malaysia for nearly 30 years is taking another step forward by expanding their presence in the country. The new facility marks Endress+Hauser presence in Malaysia to remain competitive not only locally but for global market as well. This launch also cemented our country's position as an attractive market for process automation. The company's activities are aligned with Malaysia's goal to boost technological advances and digitalisation. This serves as a catalyst for us to further engage with more stakeholders in strategising the way forward for the industries to adopt elements of Industry 4.0."

"With Malaysia being considered as a major hub for process automation in Southeast Asia, complete with a robust and dynamic market, Endress+Hauser remains bullish on positive growth within the region and will continue to excel and perform in the industry," added Mr Matthias Altendorf, Chief Executive Officer of Endress+Hauser Group.

Customers joined employees of Endress+Hauser Malaysia to celebrate the opening of the new facility, which among

[From L - R] Yang Berbahagia Dato' Azman Mahmud, Chief Executive Officer of Malaysian Investment Development Authority (MIDA); Tony Jacobsen, Corporate Sales Director Asia-Pacific of Endress+Hauser Group; His Excellency Michael Winzap, Swiss Ambassador to Malaysia; Matthias Altendorf, Chief Executive Officer of Endress+Hauser Group and Daniel Bernbeck, Executive Director, Malaysian-German Chamber of Commerce & Industry during the demonstration of Endress+Hauser's product offerings.

other things will be used to expand the company's training offering in order to provide more in-depth customer support.

"The new building in Shah Alam represents a milestone for Endress+Hauser Malaysia and enables us to continue to meet the demanding requirements of our customers," explained Chow Mun Kong, Managing Director of Endress+Hauser Malaysia, during the inauguration ceremony. The roughly 3,000-square-meter facility houses a new calibration center for flow, level, pressure and liquid analysis instruments, in addition to spacious training rooms and an auditorium that provide ample space for hands-on customer training.

Established in 1989 with 7 employees, today Endress+Hauser Malaysia is considered one of the country's leading providers of measurement and process control technology. The company currently has a workforce of more than 80 people who are focused on the chemical, food & beverage, palm oil, oil & gas, water & wastewater and power & energy industries.

Investments in future growth

"The business has grown steadily in Malaysia over the past 15 years. Malaysia is one of the most important markets in Southeast Asia and it boasts tremendous potential that we plan on exploiting further. With the new facility we have created an excellent foundation to pursue this goal," says Tony Jacobsen, Corporate Sales Director for the Asia-Pacific region. Endress+Hauser places high value on customer and market intimacy and continually strengthens its sales and production network with investments such as those in Malaysia. The company spent nearly 150 million euros (RM 735 million) on new buildings, equipment, software and IT infrastructure in 2016.

The Endress+Hauser Group

Endress+Hauser is a global leader in measurement

Endress+Hauser Malaysia's staff took a group photo with Mr Matthias Altendorf, Chief Executive Officer of Endress+Hauser Group who flew in from Switzerland to join the launch of Endress+Hauser's new customer service and training facility.

instrumentation, services and solutions for industrial process engineering. The Group employs 13,000 personnel across the globe, generating net sales of more than 2.1 billion euros in 2016.

Structure

With dedicated sales centers and a strong network of partners, Endress+Hauser guarantees competent worldwide support. Our production centers in 12 countries meet customers' needs and requirements quickly and effectively. The Group is managed and coordinated by a holding company in Reinach, Switzerland. As a successful family-owned business, Endress+Hauser is set for continued independence and self-reliance.

Products

Endress+Hauser provides sensors, instruments, systems and services for level, flow, pressure and temperature measurement as well as analytics and data acquisition. The company supports customers with automation engineering, logistics and IT services and solutions. Our products set standards in quality and technology.

Industries

We work closely with the chemical, petrochemical, food & beverage, oil & gas, water & wastewater, power & energy, life science, primaries & metal, renewable energies, pulp & paper and shipbuilding industries. Endress+Hauser supports its customers in optimizing their processes in terms of reliability, safety, economic efficiency and environmental impact.

History

Founded in 1953 by Georg H Endress and Ludwig Hauser, Endress+Hauser has been solely owned by the Endress family since 1975. The Group has developed from a specialist in level measurement to a provider of complete solutions for industrial measuring technology and automation, with constant expansion into new territories and markets

For further information, please visit www.endress.com/media-center or www.endress.com

PALM OIL: MPOB TRANSFERS **'SANTAN SAWIT PLUS'** TECHNOLOGY TO TWO COMPANIES

Malaysia Palm Oil Board (MPOB) has transferred its new formula 'Santan Sawit PLUS' (palm milk) technology to two companies, namely Premium Food Corporation Sdn Bhd and EconMulia Sdn Bhd.

Deputy Plantation Industries and Commodities Minister Datuk Datu Nasrun Datu Mansur said MPOB would provide technical and support services to entrepreneurs who were keen to commercialise the technology to expand the use and applications of palm-based products.

Santan Sawit PLUS, which falls under three technologies related to Santan Sawit, was launched during the MPOB Transfer of Technology Seminar and Exhibition 2016, he said during his visit to Premium Food Corporation's Santan Sawit manufacturing facilities here today.

Datu Nasrun said Santan Sawit was produced from processed palm oil -- refined, bleached and deodorised palm olein which is mixed with a compound to give the milky white colour of a coconut milk.

Its stability and longer shelf life of more than 10 months makes Santan Sawit PLUS a product with bright export potential, he said.

Source : Bernama

TIMBER, OIL PALM SECTORS URGED TO GO INTO R&D

SIBU: Industry players in the timber and oil palm sectors in the state are encouraged to emphasise on research and development (R&D).

Chief Minister Datuk Amar Abang Johari Tun Openg said this is in line with Sarawak's aim to be at the forefront in R&D as well as exploitation of resources that is well-managed by taking into consideration the environment.

He stated that research is important to ensure sustainability and diversification as well as marketability of products.

"When you have a species of plant that can grow well within a short period of time, then you can have a sustainable material.

"If you want to be sustainable, it means you must have the raw material yourself. Now if you have this innovative structure in your organisation then you can diversify your products," he said when officiating at the topping-out ceremony of Ta Ann Group building's new wing at Rawang Road here yesterday.

Stressing on the importance of R&D, Abang Johari, who is also Minister of Urban Development and Natural Resources, said he has been promoting the idea of industrial forest policy, whereby the state retains its primary forest and uses planted forest to sustain its timber industry.

"The market is there and we will be able to manage our resources efficiently with technology available.

"That is why I go for digital economy, which means we will have data centre or data farm to gather information to do our research.

> *"With that sort of data, through technology we can optimise our labour and, at the same time, we can produce a lot of scientists in order to produce new products, new ways of management and new scope of work that should be done by us," he said.*

He added that he visited Swinburne University campus in Australia recently, which currently was doing research on human DNA.

According to him, the university has done 70 per cent research on the matter but they still lack protein component which will complete the human DNA research package.

"So I told them why not they do protein research in Sarawak. Because of our rich biodiversity, they can extract protein from our forest and this has to be done through research.

"If they can get the protein then the whole package of human DNA will be there, meaning a great breakthrough in healthcare. The moment you have human DNA meaning we can repair human organ," he said.

For the same reason, he said he set up the Ministry of Education, Science and Technological Research and had given special budget for R&D in the state.

Abang Johari had earlier noted that Ta Ann through its 30 years of establishment had emphasised and carried out many R&D programmes for its products by working together with international and local organisations.

"I believe Ta Ann will become an example to other industry players in their research," he said.

One of the researches done by Ta Ann is in tree planting by cultivation of Kelampayan (indigenous fast growing tree species) on peat soil which was started in 2014.

The main objectives are to enhance land usage efficiency and promote multiple land use. Subsequently, the planting was also carried in mineral palm oil estates.

Meanwhile, Ta Ann executive chairman Datuk Amar Abdul Hamed Sepawi attributed the achievements and growth of the organisation to its staff.

Wong (right) and Abdul Hamed (second left) help Abang Johari to wear the leather jacket presented as a memento to him by Ta Ann.

Abdul Hamed said when he first started the company together with other founders, they had less than 20 staff and today the company has about 7,000 workers.

He said with RM1.4 billion revenue generated annually, the group also had five of its oil palm plantation and two palm oil mills receive the Malaysian Sustainable Palm Oil Certification.

He later thanked the government for giving Ta Ann opportunities to be involved in timber and oil palm industries.

Also present were Deputy State Secretary Datu Ismawi Ismuni, Assistant Minister of Urban Planning, Land Administration and Environment Datu Len Talif Saleh, Assistant Minister of Education and Technological Research Dr Annuar Rapaee and Ta Ann chief executive officer Datuk Wong Kuo Hea.

Source: The Borneo Post

IS THE INDONESIAN PALM OIL INDUSTRY **TURNING THE CORNER?**

BREAKING NEWS indeed as (Indonesian) Palm oil producers pledge to promote sustainability at UN Forum and the government seeks UNDP support for ISPO palm oil standard.

This change of attitude comes as a surprise because the Indonesian Palm Oil Association (GAPKI) has for years, talked tough against what they call "black campaigns" by foreign environmental groups. When the biggest Indonesian palm oil producers formed a group that pledged to remove deforestation from their operations, it was labelled as an "attack on Indonesia's sovereign rights" and subsequent government pressure ended the green ambitions behind IPOP.

Tough talk includes this unforgettable statement by the Vice President who said in response to complaints from its neighboring countries about the annual haze in Indonesia :

For 11 months, they enjoyed nice air from Indonesia and they never thanked us

What caused this change in attitude? Was it the threat of palm oil being banned from EU biofuel use or the continued NGO campaigns that inspired it? Or was it the strong progress of their main competitor in the Malaysian industry towards certifying Malaysian palm oil as sustainable?

It's most likely a combination of the proposed bans on palm oil use in biofuels and Malaysia's progress in certification. The European market may not be the biggest for palm oil today but that could change soon.

If we look at the recent pledges by Norway, France and the UK to ban gas-powered cars in the near future, the market for biofuels in Europe will be massive. The Europeans however, have indicated that it is not good enough that their emissions are clean. They also want their consumption to save forests on top of that. Whatever the reasons might be for Indonesia's change in attitude, this could start a race to the top which will only bring good things on the ground but what can be expected out of making pledges to the UNDP? It is true that global sustainability and poverty alleviation is of great importance at the UN but the UNDP would not have much influence on whether palm oil is used for biofuels.

The need for poverty alleviation is obviously urgent in Indonesia where a 2014 estimate had 40% of Indonesians as impoverished people living on $2 a day. I can't even buy a decent coffee with that. The palm oil industry has used this fact in recent years to justify expansions, especially in projects where small farmers are added to increase volume to industrial operations.

However, the environmental impact from hundreds of thousands of small oil palm farmers should not be underestimated. Unlike corporate plantations that can spare a bit of their plantations for conservation and use better farming practices for higher yields, the small farmer is likely to focus only on what they have to do to maximize harvests today. Hopefully

the new funds provided by the UNDP to develop palm oil sustainably in Indonesia will find ways to incorporate environmental factors into smallholder farms

What is more important though, is the will of all levels of governments in Indonesia to implement sustainable development. Without a well defined plan that balances the need for development and conservation, the multiple levels of conflicts which have plagued the industry will continue. Increasing productivity on developed areas may contribute to produce the 40 million tons by 2020 target set by the Indonesian government but there shouldn't be any doubt that more peatlands or forests will need to be developed.

Papua province as an emerging model for sustainable palm oil

Papua, which was not part of the earlier palm oil expansions in Sumatra or Kalimantan, is the current hotspot for the conservation versus development issue. Unlike what has happened in the other provinces, there are indications of better land use in the province's bold plans to protect 83% of its land area as natural habitat. More interesting in this emerging model of sustainable development was the revocation of eleven licenses issued to palm oil companies that were deemed by the local government as "having little benefit to local people." On the other hand, Korindo, an Indonesian-Korean company which is the subject of criticism for its deforestation in Papua continues to operate by virtue of its contributions to the local economy.

Poverty alleviation of local peoples maybe good justification for deforestation but what the provincial government needs is a land use plan that lays out in clear terms, how sustainability actions in Papua will benefit both the local peoples and protect forests as demanded by the potential consumers of their products.

The lack of progress in Indonesia's first attempt at jurisdictional certification in Seruyan district should not discourage the provincial government from achieving yet another first. It would be truly amazing if this most poverty stricken province can show what a turn around in the Indonesian palm oil industry should look like.

Source: www.huffingtonpost.com

SPECIAL DIALOGUE SESSION WITH CAPTAINS FROM OIL PALM INDUSTRY ON ISSUES REVOLVING MALAYSIAN PALM OIL EXPORT

YB Datuk Seri Mah Siew Keong meeting with captains from oil palm industry on issues revolving Malaysian Palm Oil.

Minister of Plantation Industries and Commodities, YB Datuk Seri Mah Siew Keong convened a special dialogue session with captains from oil palm industry to seek their combined opinions on measures to further boost exports of Malaysian Palm Oil (MPO).

During the meeting, the captains of industry expressed unanimously their collective support towards proactive measures taken by Malaysian Government to increase Malaysian's shares in global oil palm market, particularly by committing to export 100% certified sustainable palm oil by end of year 2019.

YB Datuk Seri Mah Siew Keong reiterated his aspirations for MPO to be recognized as a premium world class oil and urged the captains of industry to share the responsibility to ensure Malaysia will be given global acknowledgement as world leader in producing and supplying sustainable palm oil to the world.

To this end, the captains of industry pledged their support towards Government's initiative to adopt mandatory mandate of MSPO and committed to reflect their support by significantly increasing their combined MSPO certified hectarage (big plantation companies) to double of its current hectarage by end of 2017

In response, YB Datuk Seri Mah Siew Keong lauded the collective commitment made by the captains of industry and described it as imperative to demonstrate Malaysia's serious commitment to ensure sustainable palm oil supply chain by year 2020, adhering to the Amsterdam Declaration 2015.

As of June 2017, from a total of 3,520,833 hectares of estate plantation, only 237,509 hectares are MSPO certified. This constituted only around 4.1% of MSPO certified hectarage compared to 5,763,627 hectares of total oil palm plantation in Malaysia.

In addition, the captains of industry were briefed by Dr. Kalyana Sundram, CEO of Malaysian Palm Oil Council (MPOC) on Malaysia's current export performance and the emerging markets for MPO, particularly within neighboring countries in Asia Pacific region.

For example, in this regard, YB Datuk Seri Mah Siew Keong encouraged the captains of industry to explore opportunities to export to Asia Pacific region as the region is expected to increase its MPO imports by an extra 350,000 MT in 2017 leading up to extra 692,000 MT in 2020.

YB Datuk Seri Mah Siew Keong highlighted that MPO has a steady market within Asia Pacific region and commands an average 65% of region's market share despite the competitive price offered by other oil palm producing countries.

In response, the captains of industry expressed their interest to diversify its export markets and ensured that the proposed emerging markets will be taken into further deliberation amongst their respected decision makers.

In 2016, ASEAN countries imported a total of RM8.3 billion of palm oil and palm oil products from Malaysia, while Philippines, Vietnam and Myanmar are the major importers, worth around RM2.3 billion, RM1.8 billion and RM932 million respectively. It accounts 57 percent of total palm oil and palm oil products exports to ASEAN region.

In conclusion, YB Datuk Seri Mah Siew Keong welcomed the inputs given by captains of industry on various matters, particularly on the way forward to achieve nationwide MSPO certification target by end 2019 and measures to further strengthen MPO's footing in global palm oil market.

Prior to the special dialogue held with the captains from oil palm industry, YB Datu Seri Mah Siew Kong hosted a courtesy call from Nasional Association of Smallholders Malaysia (NASH) led by its Chairman, Dato Aliasak Ambia last week in Putrajaya.

During the meeting, NASH lauded the recent announcement made by the government to provide 100% incentive for smallholder to obtain MSPO certification and described the incentive as important to ensure that the smallholders won't be burned by the certification cost.

NASH also once again declared its full support towards mandatory implementation mandate of MSPO and expressed its readiness to work closer with government to facilitate the smallholders to be MSPO certified.

Source: www.kppk.gov.my

BT30-BN INFRASTRUCTURE PLAN FOR SOUTH

An Investment Worth More Than Bt30 Billion From The Government And Private Sector Is Intended To Develop Both Infrastructure And Industry In Three Southern Provinces Of Thailand, Including Pattani, Yala, And Narathiwas.

The government development strategy is to develop the "Southern Economic Triangle" into stable, prosperous and sustainable provinces by the year 2020, said recently Rear Admiral Somkeart Ponprayoon, deputy secretary of the Southern Border Provinces Administration Centre or SBPAC.

The Cabinet in 2016 approved Bt5 billion to develop 63 infrastructure projects in the three provinces from 2017 until 2020. Already, some Bt300 million has been invested in 17 of the 63 projects this year, with the remainder gearing up over the next two years. State agencies are also planning investments. For example, Airports of Thailand Plc have plans for investment worth Bt1.03 billion to develop Yala Airport and Narathiwas International Airport by 2020, and the Marine Depart-ment of the Transport Ministry plans to invest Bt116 million to develop Pattani Port and into a commercial port serving cargo ship size up to 5,000 tonnes gross in the year 2020, Somkeart said.

The strategy aims to increase prosperity in the three Southern provinces, making it more politically and economically stable. One city in each province will be developed as model cities, to set a future example for other cities in the region.

For example, said Somkeart, Nongjik district of Pattani has been selected to serve as an agricultural city role model, developing agricultural industries and bio-diesel. Similarly, Betong district of Yala will become a model natural tourism city. Sungai Kolok district of Narathiwat is to serve as an example of an international trade hub in southern Thailand by developing a distribution centre and a logistics system to link the district to neighbouring countries Malaysia and Singapore.

The master plan also calls on the government to promote expansion of the private sector by expanding their investment in three provinces. The approach will be to offer more incentives for investors interested in expanding their investment in the three provinces. The incentives will include exemptions of up to 90 per cent on duties for importing machines or raw materials, as well as a 50 per cent deduction on corporate income taxes.

The government hopes that the incentives will improve conditions and reduce violence in the three provinces, which have suffered through a hard period over the past 14 years. So far, the private sector has shown an interest in expanding their investments by some Bt15 billion in the three provinces, Somkeart said.

The private investments include a palm oil refinery with plans to double its production capacity from 60 tonnes per hour to 120 tonnes per hour, bio diesel, a biomass power plant generating 49 megawatts, and a solar power plant generating 300 megawatts. Also, fruit processing, seafood processing, coconut processing, plant extract, and vegetable oil packing plants, he said.

Somkeart said that investment from both public and private sectors would create up to 200,000 new jobs in the three provinces. Other benefits would include improved quality of life for the 1.97 million people of the region. Some 397,000 of them have registered as "lower income" and earn below Bt100,000 yearly.

"Our target is to improve income for over a half of the 397,000 people, to have their earnings over Bt100,000 a year by the year 2020," he said.

When people's quality of life improves, such as through increased income, better health services, or higher quality education for their children, they are more likely to collaborate with the government to reduce violence in the provinces and to further development, said Somkeart.

INDUSTRY NEWS

Since the October 2016 kick-off for the development programme, SBPAC has received positive feedback from people in the three provinces, he said. The government has seen an uptick in help from local residents in monitoring their family members and neighbours who are vulnerable to participating in violence.

"We cannot say all of people will join with us because some disagree with the government and still want to be violent. But we believe that when most people get benefits from the provinces' economic improvement, and their quality of life is better than before, we will get more people to be friends with the government and help us to reduce the violence in the province," he said.

Source: www.nationmultimedia.com

OBASEKI EMBARKS ON **INVESTMENT DRIVE** IN INDONESIA

In a bid to revamp the agriculture sector; create jobs and reposition the state as the palm oil hub of the country, the Edo State Governor, Mr. Godwin Obaseki, is currently in Indonesia to deepen his administration's partnership with the Asian country.

Speaking at the 101-year-old Indonesian Oil Palm Research Institute in Medan, Indonesia, Obaseki said his administration was keen on diversifying the economy of the state by taking advantage of its oil palm industry.

He stated that "with the present pace of research in the agriculture sector, palm oil can replace crude oil as a major source of food, industrial materials and energy."

Obaseki said already, discussions are in progress to develop a business case to reinvigorate the oil palm sector in the state at a commercial level, after the state delegation was taken through the entire integrated process of oil palm production and processing.

The Indonesian research institute is made up of an oil palm plantation, processing plant, laboratories, nursery and oil palm refining facility.

The governor, who is accompanied by the state Commissioner for Wealth Creation, Cooperatives and Employment, Hon. Emmanuel Usoh, and the Permanent Secretary in the Ministry of Agriculture and Natural Resources, Kadiri Bashiru, said the visit would explore the possibility of reaching agreements with the Indonesian Government to support the development of the oil palm sector in the state.

Indonesia is currently the largest exporter of palm oil in the world, and agriculture sector is the country's most valuable export sector.

The sector of Indonesia accounted for 32 per cent of the total labour force in 2016 and in 2013, the sector contributed 14.43 per cent to national Gross Domestic Product (GDP).

In 2014, Indonesia's production figure for palm oil was 33.5 million tonnes and the product accounts for 11 per cent of export earnings of $5.7billion.

The choice of Indonesia for the strategic partnership, according to Obaseki, was informed by these statistics, including the fact that Indonesia is a global leader in palm oil export and is followed closely by Malaysia which came to Benin City to collect oil palm seedlings many years ago, precisely from the Nigerian Institute for Oil Palm Research (NIFOR).

He promised that the visit would yield results that the state agriculture sector requires to create jobs, raw materials for local industries, produce for export and time-tested research approaches to strengthen institutes like NIFOR and the College of Agriculture in Iguoriakhi, which is being repositioned to support the agriculture sector.

Source: www.thisdaylive.com

BUSINESSES URGE INDONESIAN GOV'T TO SIGN **FREE TRADE DEALS**

Indonesian entrepreneurs urge the central government to sign more bilateral free trade agreements because Indonesia's export products currently miss out on competitiveness as regional counterparts - such as those in Malaysia, Thailand and Vietnam - can enjoy little or zero import duties under such agreements with specific trading partners, while the Indonesian government remains hesitant to be engaged in these deals.

Basically there is one reason why the Indonesian government is not keen on signing free trade agreements (FTA), comprehensive economic partnership agreements (CEPA), comprehensive economic cooperation agreements (CECA) or preferential trade agreements (PTA). The reason is that Indonesia is regarded not competitive enough to compete with foreign counterparts on the international market (especially in terms of manufactured goods), while at the same time the huge 260 million population of Indonesia (which is characterized by growing per capita GDP) would become a great market for (cheaper yet higher quality) foreign products imported under the trade deal.

Hence, the government fears these trade deals will only result in a huge inflow of foreign products, while the rise in Indonesian exports would be limited. Therefore, Indonesia is currently only involved in two bilateral trade deals: (1) Indonesia-Japan EPA (2008) and (2) Indonesia-Pakistan PTA (2013).

Hariyadi Sukamdani, Chairman of the Indonesian Employers Association (Apindo), said there exist differences among Indonesian ministries about whether it is positive or negative to engage in trade deals. Meanwhile, Shinta Widjaja Kamdani, Vice Chairwoman of the Indonesian Chamber of Commerce and Industry (Kadin), says the lack of will of the Indonesian government to sign these deals is the logical consequence of Indonesia being late in opening up investment for (foreign) investors. This has resulted in limited investment in, for example, Indonesia's manufacturing industry and therefore these products lack competitiveness (in terms of price and quality) compared to products manufactured by regional counterparts (in Malaysia and Vietnam).

One sector that is negatively affected is Indonesia's textile and textile products sector. In full-year 2016 Indonesia shipped USD $12.3 billion worth of textile and textile products to the European Union (EU). Vietnam's textile and textile product exports to the EU, however, totaled USD $30 billion

in the same year, a much more impressive figure. Kamdani said this difference is primarily caused by Indonesian textile exporters having to face import tariffs up to 10 percent, while Vietnam can ship these products to the EU for 0 percent import duties under the Vietnam-EU FTA.

Other examples are processed chocolate products (such as cocoa butter, cocoa cake or cocoa powder). For shipments to the EU, Indonesia competes with shipments from the African continent. While Indonesian exporters need to face import duties up to 9 percent, African counterparts are not disturbed by import duties, thus making the African products more competitive while the quality of the product is more-or-less the same.

Rosan Roeslani, Chairman of Indonesia's Chamber of Commerce and Industry (Kadin), sees the same affect in the palm oil sector. Recently, shipments of Indonesian crude palm oil (CPO) to Turkey declined significantly because Turkish importers shifted to Malaysian CPO suppliers as they can enjoy lower import duties due to the FTA that was signed between Malaysia and Turkey in 2015.

The Indonesian government does understand the importance of partnering in free trade deals and is therefore in negotiations for various deals including Indonesia-EU FTA, Indonesia-EFTA CEPA, Indonesia-Australia CEPA, Indonesia-Chile CEPA, Indonesia-India CECA, Indonesia-Iran PTA, and Indonesia-Turkey PTA. However, these negotiations - if successful at all - require plenty of time as the government is divided about the matter and concerned about the negative impact (a potential surge in imports).

Source:www.indonesia-investments.com

PHILIPPINE PALM OIL PLAN **'EQUALS CORRUPTION AND LAND-GRABBING,'** ACCORDING TO CRITICS

The expansion of the country's palm oil industry is feared to benefit large companies at the expense of small farmers, forests, and water quality. Image: Juan Carlos/CIFOR, CC BY-NC-ND 2.0

With its renewed promotion of what it calls the "Sunshine Industry," the Philippine government is looking to increase palm oil production. It is expected to alleviate poverty but critics worry that this will benefit large companies at the expense of small farmers, forests, and water quality.

If the street Pedro Arnado was looking down was on the Philippine government's roadmap for future palm oil development, critics say it would be one highly dangerous to navigate, lined with the hazards of unfair labor practices, land poverty, militarization and environmental degradation.

Arnado is the Secretary General of Kilusang Magbubukid ng Pilipinas (Peasant Movement of the Philippines) in Southern Mindanao, or KMP, and a spokesperson for the Farmer's Association in Davao City.

On January 26, 2017, he stood on the edge of a crowded rally of peasants, trade union members and indigenous people at Rizal Park in Davao City, Mindanao, describing how the palm oil industry has affected the farmers and communities in other provinces of Mindanao where plantations have already been operating.

He says that the business-oriented development of palm oil "equals corruption and land-grabbing."

While several palm oil plantations had been established on the island by the 1960s, it was what observers describe as an atmosphere of impunity born of the 1972-1981 period of martial law imposed by President Ferdinand Marcos that allowed corporations to increase their land acquisition, allegedly through coercion or force using the military and private armies.

During her term as president, which lasted from 2001-2010, Gloria Macapagal-Arroyo continued to facilitate the growth of the palm oil industry, pushing through the Biofuels Act of 2006 and legislation that gave corporations tax holidays and fiscal incentives.

Now, with its renewed promotion of what it calls the "Sunshine Industry," the Philippine government is looking to cultivate another one million hectares of oil palm, 98 percent of which would be on the island of Mindanao.

They are promising the alleviation of poverty and armed conflict through large investments from Malaysian, Indonesian and Singaporean firms and other foreign and domestic companies, as well as the revenue brought by palm oil's increasing demand as a food and cosmetic ingredient and biofuel.

> *"The people are not receptive to the plan. They fear displacement.*
>
> - Chibo Tan, Regional Coordinator, National Federation of Labour Unions (NAFLU), Kilusang Mayo Uno (KMU)

'They fear displacement'

In its "Philippine Palm Oil Road Map 2014-2023," the Philippine Coconut Authority, which is the government body overseeing palm oil production, foresees that 300,000 farmers will receive benefits like jobs, schools, health care and housing due to the cultivation of new oil palm plantations covering 350,000 hectares by 2023.

In 2014, Philippine President Rodrigo Duterte, then mayor of Davao City, tried to persuade the communist New People's Army (NPA) to drop their opposition to the development of a 20,000-hectare oil palm plantation in Paquibato, Davao's poorest district. He reportedly even offered the insurgents the opportunity at something resembling a joint venture.

But due to the continuing conflict in the area, the Malaysian investments were scrapped.

"The plan to plant palm oil was absolutely stopped," Januario Bentain, Officer in Charge of Industrial Crop Coordination for the Davao City Agriculture Office, told Mongabay during a January 2017 interview. "The NPA don't like that palm oil be implemented in the area."

In their newsletter Ang Bayan, the NPA said they are still fighting the government after 48 years because: "Agrarian revolution is the movement's key solution to widespread landlessness and land starvation in the country."

But palm oil development in the Paquibato District was stalled for reasons other than peace and order and insurgency.

"The people are not receptive to the plan," says Chibo Tan, Regional Coordinator in the Davao area for the National Federation of Labor Unions (NAFLU), an affiliate of the progressive labor umbrella organization Kilusang Mayo Uno (KMU). "They fear displacement."

A new push for palm oil

With the government holding intermittent peace negotiations with the NPA and their political wings, President Duterte is back pushing for investment in palm oil as an antidote to poverty and violence.

After a two-day visit to Malaysia in November 2016, Duterte stated that foreign investors are once again ready to put their money into palm oil plantations in Mindanao, and that the vast quantity of unplanted land in Paquibato is a suitable locale.

The new push for palm oil expansion in Mindanao is coming not only from the national government, but at the local level, with the Vice Mayor of Davao, Duterte's son Paulo, and a number of City Councilors advocating new operations.

It was reported in the local press as recently as March 2017 that the Davao City Chamber of Commerce and Industry has been working with the DENR (Department of Environment and Natural Resources) to establish agribusiness ventures in the districts of Paquibato and Marilog, including palm oil, that have been designated as CBFM (Community Based Forestry Management) lands under the city's Comprehensive Land Use Plan. The CBFM program was ostensibly created in 1995 to encourage reforestation.

The KMP's Pedro Arnado says there are currently ongoing talks between investors, the city government and the tribal leaders of the local indigenous peoples (called IPs or Lumad).

Regionally, economic development has been encouraged under the Davao Integrated Development Plan, a blueprint for the city and four surrounding provinces that "pursues external market-driven development" and established Davao City as the "Southern Gateway" for foreign investment.

To create a feasible environment for economic development, the Armed Forces of the Philippines (AFP) has maintained a strong presence in the hinterlands of Davao, with combat and civilian-military operations conducted by the 11th Infantry Division.

The AFP has also promoted a counter-insurgency strategy based on the U.S. Armed Forces Montangard program in Vietnam, initially through the government agency PANAMIN (Presidential Assistance for National Minorities), where local IPs are recruited, trained and armed to fight the NPA.

Tribal issues are now handled by the NCIP (National Commission on Indigenous People), according to Major Medel Aguilar of the 5th Civil Relations Service of the Armed Forces of the Philippines.

Aguilar told Mongabay that the AFP designates an officer to run the IP Desk for handling military-Lumad relations, facilitating their "Peace and Development" scheme—where the ancestral domain is "cleansed" of NPA to allow business enterprises to enter and purportedly elevate the economic level of the community.

Source: eco-business.com

ZAMBIA GOV'T INVESTS **16 MLN USD** IN PALM OIL PRODUCTION PROJECT

The Zambian government has invested 16 million US dollars as equity finance in a palm oil production venture run by the country's largest agribusiness and food processing firm, the company said on Thursday.

The government has invested the funds in the Zampalm oil project through its investment arm, the Industrial Development Corporation (IDC), in a public-private partnership with Zambeef Products Plc, with the government now having a 90 percent stake in the project.

Jacob Mwanza, the company's chairman said a further 2 million dollars will be invested in the project over the next five years.

Under the agreement, the government-invested funds will result in the planting of an additional 900 hectares of palm and expand production with a modern 10 tons-per-hour self-powering palm oil mill to process fruit from the plantation situated in northern Zambia's Mpika district.

"Going forward, the aim is to develop the full potential of the 20,000 hectare plantation, of which 2,911 hectares is already planted, and build an out grower scheme for local farmers," he said in a statement.

Under the agreement, Zambeef will retain 10 percent shareholding in the project and will continue to supervise and develop it under a management contract.

Zampalm was incorporated in 2009 to provide a source of crude palm oil after the acquisition of another local edible oil processing firm.

According to the statement, the production and processing of crude palm oil was expected to drastically reduce the country's dependence on crude palm oil and edible oil imports, with current imports standing at 70 million dollars per year.

Currently, Zambia consumes about 120,000 tons of cooking oil but only produces 30-50 percent of total supply, with half of the country's oil consumption imported from the Far East, East Africa and South Africa.

Once at full capacity, the plantation will contribute to substituting 70,000 tons of cooking oil imported into Zambia.

Source: news.xinhuanet.com

RI, UZBEKISTAN TO **ENHANCE COOPERATION** IN AGRICULTURE

Indonesia and Uzbekistan will enhance bilateral cooperation in agriculture, as the two countries have huge potential in the sector.

Indonesias Agriculture Minister Amran Sulaiman after a meeting with Uzbekistan Deputy Prime Minister Zoir T Mirzaev, here, Monday, said that Uzbekistan was a potential export market for the countrys commodities, including coconut, palm oil, tea, rubber, coffee and pineapple.

Both countries have agreed that the cooperation would focus on various issues, including exchange of students and researchers.

Uzbekistan have also asked for transfer of cultivation technology for pepper, spices and soybean, and an exchange of soybean genetic source, Amran revealed.

Indonesia will adopt irrigation technology from Uzbekistan and has asked the country to help it promote its palm oil. Indonesia has also invited Uzbek investors to invest in the countrys sugar industry, corn and cattle farm.

Uzbekistan, situated in Central Asia and East Europe, has the potential for development in agriculture sector.

It has a total of 1 million hectares of cotton plantation and 1 million hectares of fishpond with rainfall harvesting system.

The adoption of drip irrigation system has contributed to its high production of fruits and vegetables, and exports to 80 countries.

Zoir T Mirzaev is also the Uzbekistan Minister of Agriculture and Water Resources.

Indonesia has reached self-sufficiency in rice, corn, onion and chili, and the country could effectively manage its agriculture resources to meet the food demand for its 258 million people, Amran noted.

"Uzbekistan has acknowledged Indonesias success in reaching self-sufficiency, and they want to build a partnership in the agriculture sector, intensively and with mutual benefit," the minister stressed.

Source: antaranews.com

PALM OIL,

A POTENTIAL CASH COW

With the slump in oil prices and a slash in revenue inflows, Nigeria, the largest economy in Africa, is desperately in need of other revenue sources. Palm oil may be one of the answers. About 80% of current global palm oil production is consumed as edible oils, used in noodles, ice cream, and margarine, to name a few. With food consumption rising rapidly this bodes well for palm oil, as does the rising demand for nonfood uses, such as: soaps, detergents, lubricants, greases and candles. The multiplicity of uses for palm oil is likely to sustain rapid growth in its demand in the foreseeable future.

However, if Nigeria is going to take advantage of this opportunity it needs to leverage the expertise, technological advantages and refining capacity of its large producers across its predominately small palm oil producers to improve their yields, export capabilities and commercial packaging. Nigeria's top competitors in Southeast Asia offer strong lessons in this space. If Nigeria is able to learn from them, it could literally reap the benefits of what it sows.

"About 80% of current global palm oil production is consumed as edible oils." Over 50 years ago, Nigeria held the top position as the world's largest palm oil producer with a robust global market share of more than 40%, contributing about 82% to the national export revenue. However, by 1966, Malaysia and Indonesia surpassed Nigeria as the world's leading producers and exporters supplying around 85% of palm oil products. It may be tempting to link the rise of Malaysia and Indonesia to World Bank funding.

One year before they took over the top positions, the World Bank started playing a major role in supporting the expansion of the palm oil sector, injecting nearly $2bn over 45 projects in Southeast Asia, African countries, and parts of Latin America. Indonesia did receive the highest amount of project funding, receiving $618.8bn, but Nigeria, not Malaysia, was second receiving $451.5bn; Malaysia, came in third with $383.5bn in project funding.

Nigeria has continued to be the second largest recipient of World Bank palm oil sector projects, with six projects over the 1975 to 2009 period. Success stories included the planting of 42,658 hectares of oil palms, road network expansion and increased milling capacity. However, only one of the World Bank projects continued operations, while the rest went bankrupt.

By 2016, Nigeria had fallen in the ranks to be the fifth largest producer of palm oil products with total output reaching 970,000 tons, while domestic consumption was 1.3 million tons. Indonesia retained the number one spot in the world, producing 32 million tons, while Malaysia continued in second position with 17.7 million tons. Global palm oil consumption reached 58.3 million tons in 2015/16 and is expected to reach 67.3 million tons in 2017/18.7 Nigeria's underperforming palm oil sector can be linked to inefficient and outdated machinery and techniques. It is estimated that 50% of oil extraction is lost due to these challenges.

The challenge in improving these weaknesses, however, is daunting as two thirds of crop output comes from dispersed small scale farmers, spread over an estimated 1.6 million hectares of land, and harvesting semi wild plants through the use of outdated manual processing techniques.

They rarely meet the standards required for exports and have improper documentation, certification, accreditation and product packaging. Additional challenges include: government owned plantation fields, weak milling infrastructure, challenges in accessing lands, community unrest, politics and rights activism. These all contribute to hindering growth and development of the palm oil sector, and ultimately discouraging private investors.

The insufficient supply is so poor that the Central Bank of Nigeria (CBN) gave indigenous importers waivers, despite the fact that palm oil related products are on the list of 41 items banned from accessing forex at official rates. The waivers were granted

because many companies had the refining capacity but no palm oil. They had to either reduce output volume or shut down production completely.

Okomu and Presco Plc, are two exceptions in this narrative. They are two of the leading palm oil producers in Nigeria and the only indigenous palm oil companies listed on the Nigerian Stock Exchange. Despite recent macroeconomic headwinds, sales and financial performance remained positive, showing significant year on year growth.

Presco's turnover for 2016 was N15.7bn, 50.2% higher than its 2015 performance of N10.45bn. Okomu's 2016 revenue also expanded by 47.4% to N14.3bn from N9.7bn in 2015. The success of these companies was mainly bolstered by foreign exchange restrictions, high palm oil import substitutes, continuous expansion of oil palm plantations and increasing demand.

To boost the productivity of the small holder farmers, Nigeria needs to fully leverage on the strong performance of its large scale producers. Looking to its competitors, Nigeria could leverage on common Southeast Asian practices such as incentivising exports of refined palm oil products over crude palm oil (CPO) and integrating small holder farmers into large scale commercial operations.

In Indonesia, the government slashed its export tax on refined products to spur growth in the downstream palm oil industry. As of 2015, the government levy on CPO was $50 per metric ton while the levy on refined palm oil products was a much smaller $30 per metric ton. As a result, large consumer goods companies like Unilever Indonesia have invested heavily in expanding their palm oil refining capacity, which spiked to 45mn tons as at 2015, up from 30.7mn tons in 2013 and 21.3 mn tons in 2012.

The agroindustrial approach to small holder farmers in southeast Asia is complimentary to this focus on refined palm oil products. It typically involves government leasing lands to large companies. The locals of the land are then asked for permission and given development incentives and employment opportunities. This way, the small holder farmers remain invested in the industry but are able to leverage the advanced agricultural methods used by the large companies. For the large companies, these partnerships offer more production to serve their refining needs.

Palm oil producers in Africa are somewhat hesitant in replicating the south east approach as companies scurry to secure concessions without acknowledging the possibility of ruffling feathers within the local community. If sustainable palm oil production is prioritized in a company's investment model, the agroindustrial model would be beneficial for the local communities, while improving CPO production and ultimately addressing supply shortages for refining local production.

With the implementation of good and favourable policies and coordinated public and private investments, Nigeria has a great opportunity to gain a share of expanding world markets, as well as meet its own rapidly increasing demand. Nigeria offers the palm oil sector fertile arable land for cultivation and large human capital. What is needed is adherence to best agricultural practices and the intensification of government involvement and support.

There is a good possibility that Nigeria can triple its domestic production of palm oil to bridge the domestic demand gap as well as increase exports to the international market.

Source: www.proshareng.com

JAPANESE COMPANY TO **ESTABLISH PALM OIL** PROCESSING FACTORY

Japanese Company, Kobe Marine Corporation (KMC) has signaled its readiness to establish a palm oil processing factory in the Denkyembour District in the Eastern Region.

A memorandum of understanding has already been signed between the company and the district assembly.

This ties in with the government's one district one factory policy.

Mr. Paul Kwabena Amani, Managing Director of PMKF Ghana Limited, who wooed the Japanese company to the area, said the benefits would be enormous.

KCM, he indicated, was well-endowed, had the expertise and tremendous experience in palm oil processing.

It had been operating in Malaysia and Indonesia and that the nation's economy stood to gain from its presence.

Mr. Amani said it would start with palm oil production and then move into other things including the making of dried fertilizer and bio-fuel or refined fuel.

He underlined the need to scale up the drive to attract more foreign investors, to bring in the technology and expertise to grow local businesses.

He said they were engaging the Ghana Small Scale Oil Palm Producers Association to aid them to acquire loans from MASLOC to establish oil palm nurseries and plantations to assure the factory of raw materials supply.

He said KCM had targeted to establish five factories in the Eastern, Brong-Ahafo and Volta Regions by year 2020.

Mr. Seth Birikorang Ofosu, the District Chief Executive (DCE), said the assembly was eager to support the farmers to expand their oil palm plantations.

He assured the company of strong support and cooperation.

Osaberima Kofi Boateng III, the Akwatiahene, pledged to make land available to investors.

Source: ghananewsagency.org

Interview with Dr. Ir. Iskandar Andi Nuhung

Executive Director of Indonesia Palm Oil Board (IPOB).

01 Generally share with us about yourself as the Executive Director of IPOB?

I started my job since 1975, as an employed at the Directorat General of estate crop under the Ministry of agriculture. I was working on estate crops development, which includes palm oil too. During early of 2000, I proposed the idea of establishing Community Palm Oil Association, which has become the IPOB today.

In 1989, I completed my doctorial study from Pajajaran University, Bandung, Indonesia. My doctorial thesis was entitled "Nuclaus Estate & Smallholders (NES) Palm Oil and Rubber Development for Regional Economy".

02 Briefly share with us about IPOB background and history?

IPOB is initiated based on Law of the Estate Crop 2004. The law was improved later on in year 2014. One of the clauses had mentioned that the government should establish the council of commodities for estate crops such as rubber, tea and so on, and of course including palm oil as well. The palm oil commodity council has become the foundation of IPOB today.

03 What is the significant role that IPOB plays for the Indonesia palm oil industry?

The Palm oil industry consist of many stakeholders such as farmers, planters, private sectors, government enterprises, researchers, industries (such as refinery, bioenergy, vegetable oil etc.) and so on. IPOB plays the important role of coordinating these stakeholders. There is also a group of associations under IPOB such as GAPKI, GIMNI, AIMI, APOLIN, GPPI and other associations. In short, IPOB acts as an umbrella, which is similar to Malaysia Palm Oil Board (MPOB) in Malaysia.

For effective coordination, IPOB provides a vision, mission and program as guidance to the stakeholders, concurrently organizing discussions with the associations monthly. We also organize meetings to discuss and coordinate with the government, we act as a bridge between government and the stakeholders.

04 Any notable challenges currently in order to develop palm oil industry in Indonesia?

Yes, there are indeed many challenges. First of all would how to increase the palm oil industries performances as sources of export earning, job creation, regional and villages development and sustainability. The second is

environmental issues, which consist of physical environments and social environments. Physical environment would relate with forestation, climate changes, pitland, burning etc. while social environment would be the surrounding people. However, we do make effort to overcome the problems, such as communicating regularly with the government, monitoring on the spot, communicating with associations, communicating with the minister of forestry and environment and so forth.

The next challenge would be competitiveness, which can be divided into competition between product markets, producer (palm oil) countries and other commodities. Referring to product market competition, the competition came from other vegetable oils such as soy bean, rape seed, sun flower etc. As for producer (palm oil) countries, competition from Malaysia and Thailand are the best examples, while we can gain improvement from this competition such as quality and efficiency improvements. As for competition from other commodities, it would be the land issue, where different crops might compete for lands to grow.

05 **Malaysia and Indonesia supply around 60 million tonnes of palm oil which make up 86% of global output. How well do you think that these two countries have been cooperating in moving the palm oil industry?**

Indonesia has been always working closely with Malaysia, the last cooperation was establishing of the Council of Palm Oil Producing Countries (CPOPC). We discuss problems through the respective government ministries such as the ministry of trade, ministry of foreign affairs, ministry of agriculture etc. Concurrently, we are also having a B2B platform for both countries to generate greater business opportunities. Besides such partnerships, Indonesia and Malaysia are also experiencing a healthy competitive relationship which enhances the growth of the palm oil industry in both countries.

06 **Council of Palm Oil Producing Countries (CPOPC) was set up in 2015 by the world two largest crude palm oil (CPO) producers and exporters Indonesia and Malaysia. It aims to control the global CPO supply, stabilize palm oil prices, promote sustainable practices in the palm oil industry, and enhance the welfare of oil palm smallholders. In your opinion, until current, how well does CPOPC improve the palm oil industry?**

We expect CPOPC to contribute for the development of palm oil industry for both countries. We are even expecting the participation of other countries in future such as Thailand, Vietnam, Nigeria, Africa and so on. We have invited these countries informally, through CPOPC, the government or the ambassador. Since the establishment, CPOPC today is still in the progress of formulating and consolidating its plans. It is hard to determine as yet of how well it would improve the palm oil industry development, but according to initial concept, we expect CPOPC to become a vital council for palm oil industry development, to strengthen price, rule of trading and commitment of buyers amongst its many other functions.

07 **The Palm oil industry is often being threatened by the "black campaign" on palm oil products. How do you think that IPOB can help in this issue?**

IPOB is active in overcoming such issues. We monitor, generate evidence, study and also learn from experts to determine the truth. According to our experience, some accusations from the black campaign are actually not factual. We publish a book entitled " Facts of Indonesian Palm Oil."to refute accusations from the black campaign with the evidence and research results. We have to protect the palm oil industry and ensure its significant benefits especially for the people and the country, through sustainability paradigm.

08 **Last but not the least, any advice you would like to share with the palm oil industry players?**

Producer countries should collaborate to strengthen the bargaining position of the palm oil industry, and if possible to become a "price maker", also producing all kinds of palm oil products with referring to consumer preferences and needs.

Secondly, the key stakeholders of the palm oil industry need regular meetings to discuss the problems encountered and explore solutions. IPOB has established Focus Group Discussion (FGD) in Indonesia, to discuss issues about technical, finance, trading, environmental issues and much more.

Apart from that, sustainability issues are always an important part of the industry. We have the ISPO for the Indonesia sustainable palm oil industry similar to the MSPO certification in Malaysia. Currently there are about 400 companies being certified by ISPO. We look forward to further improvements to become the best.

PROCUREMENT CORNER

K.K.S FAJAR HARAPAN
Add: Peti surat No. 27, Pos Cenderawasih,
91150 Lahad Datu, Sabah
Tel: +6019 892 8530
Fax: +6019 813 4360

K.K.S LADANG SABAH
Add: Wdt No. 164, 90009 Sandakan, Sabah
Tel: +6089 568 908 (Mill) / 861 874
Fax: +6089 568 909 (Mill)

K.K.S LEPAR UTARA 4
Add: Peti Surat 55, Pej. Pos Bandar Jengka,
26400 Bandar Jengka, Pahang
Tel: +609 474 1780
Fax: +609 474 1782

K.K.S LUBUK ANTU
Add: PO Box 300, 95008 Bandar Sri Aman, Sarawak
Tel: +6082 287 970
Fax: +6082 287 971

K.K.S NERAM
Add: Pejabat Pos Mini Felda Neram 1,
24060 Chukai, Terengganu
Tel: +609 551 5080
Fax: +609 551 8084

K.K.S PONTIAN FICO PLANTATION
Add: Peti Surat 60525, 91114 Lahad Datu, Sabah
Tel: +6089 565 702
Fax: +6089 565 321

K.K.S RIMMER
Add: PO Box 60999, 91118 Lahad Datu, Sabah
Tel: +6089 887 290
Fax: +6089 887 290

K.K.S SABANG
Add: BQ 3933, Mail Bag No.8, 90009 Sandakan, Sabah
Tel: +6089 667 721 /259 111 / Ext 311
Fax: +6089 673 407

K.K.S SEROJA
Add: FPISB Kilang Sawit Seroja,
26400 Bandar Jengka, Pahang
Tel: +609 279 2485
Fax: +609 279 2329

K.K.S SYAMIRO
Add: Locked Bag No.15, 91109 Lahad Datu, Sabah
Tel: +6089 568 700 / 861 874
Fax: +6089 568 120

K.K.S TANAH EMAS OIL PALM PROCESSING
Add: PO Box 925, 90710 Sandakan, Sabah
Tel: +6089 271 163 / +6088 552 125
Fax: +6089 274 510 / +6088 552 126 (Mill)

K.K.S TEMENTI
Add: Kilang Sawit Tementi, Pejabat Pos Triang,
28300 Triang, Pahang.
Tel: +609 246 9144 / 145
Fax: +609 246 9142

K.K.S TOMANGGONG
Add: Tomanggong Palm Oil Mill, Locked Bag No. 5,
91109 Lahad Datu, Sabah
Tel: +6089 954 838
Fax: +6089 954 839 / +6019 813 9873

K.K.S UMAS-UMAS
Add: Peti Surat 60996, 91019 Tawau, Sabah
Tel: +6019 883 1708
Fax: +6019 892 9610

KILANG KELAPA SAWIT BAU
Add: PO Box 181, 94007 Bau, Sarawak
Tel: +6082 370 425 / 375 441

KILANG KELAPA SAWIT CINI 3
Add: (K.K.S. Cini 3), Pejabat Pos Bandar Cini,
26690 Pekan, Pahang
Tel: +609 456 6582
Fax: +609 456 6585

KILANG KELAPA SAWIT EMBARA BUDI
Add: Peti Surat 28, Pos Cenderawasih,
91150 Lahad Datu, Sabah
Tel: +6019 892 8520
Fax: +6019 813 2754

KILANG KELAPA SAWIT FELCRA MARAN
Add: Simpang Jengka, Peti Surat 69,
26500 Maran, Pahang
Tel: +609 477 7830
Fax: +609 477 7829

KILANG KELAPA SAWIT GIRAM
Add: PO Box 19, 91207 Kunak, Sabah
Tel: +6089 855 277
Fax: +6089 855 010

KILANG KELAPA SAWIT JOHOR LABIS
Add: Achi Jaya Plantation Sdn Bhd, Lot 677,
Jln Kilang, 85400 Cha'ah, Johor
Tel: +607 926 1604 / 07 926 4913
Fax: +607 926 3048

KILANG SAWIT KALABAKAN
Add: Peti Surat 62007, 91030 Tawau, Sabah
Tel: +6089 926 836

KILANG MINYAK SAWIT KEMUNTING SDN BHD
Add: Box #479, Lot 7.03, 7th Floor, Wisma Central,
Jalan Ampang, 50450 Kuala Lumpur
Tel: +605 883 6504 / 883 8023
Fax: +605 883 6362

KILANG KELAPA SAWIT LAVANG
Add: PO Box 1288, 97008 Bintulu, Sarawak
Tel: +6086 326 067
Fax: +6086 328 932

KILANG SAWIT LOAGAN BUNUT
Add: PO Box 2437, 98008 Miri, Sarawak
Tel: +6085 775 200
Fax: +6085 775 201

KILANG KELAPA SAWIT PAMOL
Add: Karung Berkunci 1, 86000 Kluang, Johor
Tel: +607 787 5100
Fax: +607 787 5179

KILANG KELAPA SAWIT PRIMALUCK
Add: PO Box 2019, 98009 Miri, Sarawak
Tel: +6085 416 649 / 407 209
Fax: +6085 424 064

KILANG KELAPA SAWIT SEGARIA
Add: Peti Surat 132, 91308 Semporna, Sabah
Tel: +603 2145 2121
Fax: +6089 793 100 (Mill) / +603 2141 9164

KILANG KELAPA SAWIT SINDORA
Add: Karung Berkunci No. 51, 86009 Johor Bahru, Johor
Tel: +607 705 6161
Fax: +607 705 6162

KILANG KELAPA SAWIT SUNGEI KAHANG SDN BHD
Add: PO Box No.10, 98700 Kahang, Johor
Tel: +6017 776 1978 / 788 1512/ 788 1118 / +6019 758 5239
Fax: +607 788 1650

KKS BATU PUTEH
Add: WDT 125, 90200 Kota Kinabatangan, Sandakan, Sabah
Tel: +6089 677 178 / 565 963
Fax: +6089 677 178

KKS PELADANG & PERUSAHAAN MINYAK SDN BHD
Add: Batu 4 1/2, Jalan Maharaja Lela,
36000 Teluk Intan, Perak
Tel: +05 622 1115 / 622 3879
Fax: +605 622 3161

KKS TAI TAK
Add: Batu 21/22, Jalan Kota Tinggi, PO Box 76,
81907 Kota Tinggi, Johor.
Tel: +607 883 1163
Fax: +607 883 6039

KKS SEMANTAN
Add: No.1 Tingkat 4, Jalan Ampang,
50450 Kuala Lumpur
Tel: +609 279 9400 / +603 2072 5877
Fax: +603 2072 5882

LANA PALM OIL MILL
Add: Level 42, Menara Maxis,
Kuala Lumpur City Centre, 50088 Kuala Lumpur
Tel: +6086 311 863 (HQ)
Fax: +6086 313 293

LENGA PALMOIL MILL
Add: C/O Eng Kee Estate, PO Box 3,
84907 Tangkak, Johor
Tel: +606 978 6460 / 978 7460 / 978 9460
Fax: +606 979 1422 / 979 1423

MANIS OIL SDN BHD
Add: No. 6, Jalan Rawang, PO Box 1489,
96000 Sibu, Sarawak
Tel: +6084 730 900
Fax: +6084 730 901

MAYVIN P.O.M
Add: WDT 164, 90009 Sandakan, Sabah
Tel: +6088 552 818 / 089 861 874
Fax: +6088 552 927

MELUR GEMILANG PALM OILL SDN BHD
Add: PO Box 952, 94700 Serian, Sarawak
Tel: +6082 895 130
Fax: +6082 896 182

SRI JELUTUNG PALM OIL MILL SDN BHD
Add: Bangunan Kurnia Setia, No. 1 Jln Besar,
PO Box 292, 25730 Kuantan, Pahang
Tel: +609 514 8866
Fax: +609 514 8822

TIMOR OIL PALM PLANTATON BERHAD
Add: Batu 4, Jalan Sekolah, 26500 Maran, Pahang
Tel: +609 468 8903 / 468 1245 / +603 2261 4633
Fax: +609 468 8903

DATO' YEAT SIAW PING

CEO of IBG Manufacturing Sdn. Bhd.

A) Organization background and history.

Incorporated in year 1998, IBG Manufacturing Sdn. Bhd. specialises in design, manufacture and marketing of IBG biofertilizers. It has its own microbiology lab, chemical lab, R&D lab and manufacturing facility. It is accredited with the BioNexus status, a special status awarded to qualified international and Malaysian biotechnology companies that supports with fiscal incentives, grants and other guarantees to assist growth.

With its innovations and level of excellence, IBG has garnered numerous domestic and international awards, such as ITEX'99 (Malaysia International Invention, Innovation & Industrial Design 1999) Gold Medal Award; Silver Medal Award in the 27th Agricultural Invention & New Technique 1999 in Geneva; Silver Award in Biotechnology Asia 2006; International Standard Quality Award in Quality Product Category in Year 2011; Outstanding Achievers Award in SME's Platinum Business Awards in year 2016, and Product & Service Excellence Award in Sin Chew Business Excellence Awards in year 2016. IBG is also compliant with ISO 9001 since 2008 and MS ISO/IEC 17025 since 2011.

IBG Vision: To be the premier purveyor of the best quality biofertilizers in the world.

IBG Philosophy: Rehabilitating and improving soil health is our responsibility towards saving the environment for the world.

B) CEO Profile.

Dato' Yeat Siaw Ping obtained his Engineering Diploma with Grade One from Federal Institute of Technology in 1983. He then obtained the MBA (marketing) from American Coastline University in 1999. Dato' Yeat was also a member of the American Institute of Management Science in 1999.

Prior to become the CEO of IBG Manufacturing Sdn. Bhd., Dato' Yeat was appointed as Managing Director of YSP Constructions Sdn Bhd during 1990-1996, in which the company was involved in industrial land development and building works. He was involved in the building and construction industry for approximately 16 years, running the new government and private development projects in Malaysia.

During 1998, Dato' Yeat had started the IBG biofertilizer business. As the CEO of the company, he oversees the company's development and is also responsible for the company's sales and manufacturing functions. He also works extensively with the group's R&D team. He is the driving force behind IBG Group's current success that has gained recognition as a competitive, fast growing and innovative R&D company in the biofertilizer industry.

C) Interview questions:

1. Share with us the range of products and services provided by IBG Manufacturing Sdn. Bhd.

We produce 4 main products, which are:
i) IBG Oil Palm Bio Fertilizer
ii) IBG Paddy Bio Fertilizer
iii) IBG Multipurpose Bio Fertilizer (suitable for fruits such as durian, duku langsat, pineapple, sugarcane, banana, etc)
iv) IBG Rubber Bio Fertilizer

IBG biofertilizer is formulated by our exclusive blend of 3 components: microorganism, organic matter, macro and micro elements. Microorganism has the ability to improve the plant's water and nutrients absorption and improve soil structure, therefore increasing the plant's absorption of chemical fertilizers.

Organic matters are seaweed extracts, aloe vera extracts, humic acid and amino acids. Seaweed and aloe vera increase soil organic matter, accelerate the decomposition and transformation of organic matters and therefore conducive to the formation of humus. In addition, aloe vera can help to resist the invasion of crop pests, bacteria and viruses. Humic acid can promote root development and absorption, enhance absorption of chemical fertilizers. Amino acids can improve the immune system of plants, and suppress bacteria harmful to the soil. As for trace chemical elements, these elements help replenish the plants to achieve a balance between chemical fertilizers and micro-organisms.

We have also provided plantation services to our clients, such as consultancy, education & training and foliar & soil analysis too. We understand clients' needs and problems, provide education and training for proper plantation management, which include diseases, pest control, fertilizer application methods, soil management and more. We also monitor the plants' growth performance by analyzing the possible nutrient deficiencies.

2. How do your products stand out from the competition especially in assisting the palm oil industry development?

With the application of IBG bio fertilizers, chemical fertilizers application rates can be reduced up to 30%. It is because the biofertilizer itself can directly provide comprehensive nutrition to crops, reduce waste and loss of chemical fertilizers, and also release confined chemical fertilizer active ingredients in the soil for it to achieve effectiveness. Thus the quality of agricultural products can be improved, reducing chemical fertilizer costs and increasing the plant's yield, which directly improves the farmers' income.

IBG owns 3 certified laboratories: microbiology laboratory, R&D laboratory and chemical laboratory. The laboratories act as a strong foundation for IBG's R&D initiatives which focuses on cutting edge technology, from extensive research to the development of world-class bio fertilizer products with self-owned intellectual property rights and great marketing potential.

3. Established in year 1998, IBG Manufacturing Sdn. Bhd. has won awards such as Silver Medal Award in the 27th Agricultural Invention & New Technique 1999 in Geneva, Silver Award in Biotechnology Asia 2006, Outstanding Business Award in SME's Platinum Business Awards 2016, etc. What were the success factors that led to the achievements until today?

We all know that chemical fertilizer is important for agriculture production. However, long term usage of chemical fertilizers will affect the soil quality, by reducing the soil microorganisms such as bacteria, actinomycete, fungi and even the earthworms and other insects or creatures. 20 years ago, I realized that restoration and improvement of soil fertility is important for sustainability. Thus, I took the initiative to start the biofertilizer business, with the aim to rehabilitate and improve soil to save the environment for the world, from where we have become the pioneer of biofertilizer today.

We also have a strong R&D background, ensuring the product quality by testing and verifying every batch of products' chemical content and microbial count before packaging it. The quality control process also begins from raw ingredients to the blending process until the packaging process.

4. What is your ultimate goal for the company? Any development plans in the next coming 5 years?

My ultimate goal for the company is to continue the mission of promoting soil health to the world. As for business development plans, we will continue to develop the business overseas, such as Indonesia, Thailand, China and more. Currently we have our businesses established in Philippines for sugar cane and banana, rubber in Thailand and Laos, and of course Malaysia which covers the oil palm, paddy, rubber, pineapple, etc.

5. What are the challenges for you so far?

Creating the awareness of biofertilizer applications among the planters is my current challenge. These planters have been getting used to normal fertilizers for a long period of time. It is difficult to change people's mind set. In order to solve the problem, we apply the communicating and educating process. We attend agricultural exhibitions and also organize educational sessions in seminars. Through sharing, people will gain the information which enhances their understanding and acceptance level towards biofertilizer. We also welcome people to visit our frontier technology at our factory, as we frequently receive visitors from the corporate planters and farmers. For more details, please visit our website www.ibgbiofertilizer.com.my.

6. Any kind advice that you would like to share with the palm oil industry players?

Protecting the soil quality is important for agriculture growth. Precaution is always better than cure, and metaphorically is similar to cancer on a human being, it is hard to revive a cancer patient when it reach metastasis stage. For example, the infection of Ganoderma in palm oil plantations, it exists in the soil and old oil palm primary root. Prolonged usage of chemical fertilizers and pesticides will weaken the root system, and progressively reduces the population of beneficial microbes in the soil, which promotes the Ganoderma infection. Therefore, biofertilizer should be applied to the soil at early stages of palm tree development to offer greatest protection for root system from infection. Hence, the integration of chemical and bio fertilizer is the best approach to maximise oil palm productivity.

DOUBTS CLOUD KENYA'S RENEWED PALM OIL AMBITIONS

- *Kenya is looking to increase its own production to reduce reliance on imports. Officials say producing palm oil domestically would reduce importation costs while opening new income streams for farmers.*
- *Kenya is also looking to cash in on the industry's profitability and efficiency as global demand for palm oil rises.*
- *But critics worry that increasing palm oil production in Kenya may come at a cost. They say smallholder farmers could lose out to industrial producers, and clearing land for oil palm plantations could increase deforestation and carbon emissions.*

ISIMICHINI, Kenya — In the 10 years Arthur Inzofu has been growing oil palm trees at his farm in Isimichini village in western Kenya, he has seen few benefits. But he is not about to give up on the plant quite yet.

The 70-year-old farmer is among the few who have held onto the plant, despite what he says is years of government neglect when it comes to ensuring a ready market for the palm oil produced by oil palm growers.

However, renewed interest by the government in domestic palm oil production is giving Inzofu hope that his fortunes may turn.

Kenya is looking to increase its own production to reduce its reliance on imports. According to Kenya's Cabinet Secretary for Agriculture, Livestock and Fisheries, Willie Bett, the country spends

Arthur Inzofu takes a look at growing cluster of oil palm fruit at his farm in Isimichini village, western Kenya. Photo by David Njagi for Mongabay.

Arthur Inzofu inspects his oil palm plot in Isimichini village, western Kenya. Photo by David Njagi for Mongabay.

over Ksh 16 billion (about $1.6 million) annually on imported palm oil. Growing the plant domestically would reduce this cost while opening new income streams for farmers, officials said.

Inzofu agrees: "It can be a very lucrative crop for farmers if only we are supported with a ready market by the government," he said, adding that a single tree gives him at least 20 clusters of fruit in a year.

A single fruit generates about a liter of processed palm oil, he said. "I have a machine which I use to process the fruits into palm oil. I use some of this at home for cooking and sell the surplus to neighbors," he said, adding that a liter fetches about Ksh 150 ($0.15).

This is way below market price; a liter of processed palm oil sold in local supermarkets costs double the price of what he gets at home, said the father of three.

Inzofu's concerns are echoed by hundreds of farmers who took up palm oil growing across Kenya when the government introduced the plant in 2003, according to Kenya Agricultural Research and Livestock Organization (KARLO) palm oil project leader Lusike Wasilwa.

Insufficient support

In addition to an insufficient market for his palm oil, Inzofu criticizes what he says is a lack of growing and processing support. He says that unlike other plantation crops in the region like sugarcane that have factories where farmers can take their produce for processing, Inzofu must process his harvest at home.

"The fruits are attacked by birds while a whole plant can be felled by earth moles," he said. "It is like the government abandoned us after introducing the plant because they have never come to show us how to deal with production challenges."

According to Wasilwa, the government did not abandon farmers outright. Rather, a lack of funding stalled the pace at which the project could proceed. She said there was also pressure from environmental groups that argued growing the plant may encroach onto land used to grow staple crops like maize, leading to food insecurity and associated deforestation.

Yet palm oil prevailed, Wasilwa contends.

"Palm oil growing in Kenya was initially meant to enable farmers to use the oil at home to boost their families' vitamin A [intakes]," she said. "Its successful uptake means the country can grow the plant for commercial use."

To enhance its domestic palm oil production, the Kenya government is pumping some Ksh. 87 million (about $870,000) into the sector, Wasilwa said.

New seed varieties that produce a shorter plant, mature earlier and yield more fruit are being acquired from India, according to Cabinet Secretary Bett.

"Our intention is to increase the productivity of palm oil in Kenya so that our manufacturing industry can grow," Bett said in an interview with Mongabay. "Revitalizing its production in Kenya means that we will build factories to do value addition locally."

In addition to a desire to get away from reliance on palm oil imports, Kenya is also looking to cash in on the industry's profitability and efficiency. Palm oil is one of the most ubiquitous vegetable oils in the world, and is found in a multitude of products from cooking fat and cookies to soaps and cosmetics. Research conducted in 2016 indicates the global demand for palm oil has been rising since the 1970s, making it worth some $50 billion a year, a number that's projected to rise to $88 billion by 2022.

The oil palm tree also yields more oil per hectare cultivated compared to other vegetable oils like sunflower or soy. According to KARLO, an oil palm plantation can yield more than 10 metric tons of fruit per hectare every year. In comparison, Kenya's leading cash crops like tea and coffee yield less than eight metric tons for the same area.

Smallholder concerns

However, not everyone is convinced Kenya should embrace industrial palm oil production.

Kazungu Jumwa, a farmer who has been growing oil palm in Kenya's coastal region for the past five years fears that growing the plant for industrial extraction may put smallholders like him out of business.

The sturdy plants at his four-acre farm in Matuga village have been the main source of income for his family. Jumwa said he feeds and pays school fees for his children by harvesting the fruit and selling it to processors in the coastal town of Mombasa.

Jumwa has tried growing staple crops like corn. But repeated drought that has been troubling the country often leaves him with little to harvest, he said, adding that he prefers the oil palm tree because it can withstand harsh weather.

"I fear that if the government allows multinationals to grow palm oil

in Kenya, I may lose the market that I currently rely on," he said adding that the government is not clear on how it will protect smallholders from big investors.

Bett, the Agriculture Cabinet Secretary, said Kenya does aim to scale up oil palm cultivation in the country through industrial production.

But he said smallholder farmers will not be affected because they will be issued contracts to supply their harvest to processing factories that the government will establish.

Moreover, oil palm cultivation could be an alternative crop choice in areas that experience repeated pest attacks and drought, said Nesline Ogwe, manager of the lower Kuja irrigation project in the Lake Victoria region.

In January of this year, the region's corn crop was hit by a devastating Fall Army Worm invasion. A few months prior, a lethal corn necrosis disease also swept the region, she said.

"For the past two seasons [corn] farmers have been harvesting little due to frequent pest attacks," Ogwe said. "It is time they started diversifying to other crops."

She said the irrigation project is keen to support oil palm cultivation because it will enable farmers to diversify their crops.

The 19,000-acre project has already conducted a feasibility study on large-scale oil palm cultivation, Ogwe said. She expects that cultivation will take off immediately after infrastructure is in place.

"We will help farmers do land preparation, identify investors and markets for palm oil," she said. "We will then get for them the seeds and all the inputs needed to grow the plant."

Ogwe said oil palm cultivation will be a new but more secure venture for farmers in the region: "complete crop failure can happen with rice, maize, and other field crops when moderate to extreme drought or flood occurs, but not with palm oil."

However, not all agree. Clive Davis, fund manager at Kenya's Business Advocacy Fund, questions why the government is introducing large-scale cultivation before establishing markets. He said the government should leave it to the private sector.

Palm oil is produced from the fruit of the oil palm tree (Elaeis guineensis). Photo by Rhett A. Butler/Mongabay.

"This is probably a scam in waiting that will put a lot of burden on the taxpayer," Davis said. The Business Advocacy Fund lobbies the government to create an attractive environment for private sector investment.

Environmental cost

Then there's the environmental side of the issue. Some critics say Kenya has neither the right geography nor climate for palm oil production; others worry it could put the country's forests at risk.

Frank Msafiri, chairman of the Kenya Climate Change Working Group (KCCWG), is concerned the country's plan for large-scale oil palm cultivation may lead to deforestation. He said huge tracts of land will be required for the plantations, which can only accommodate 143 plants per hectare. In comparison, he said a farmer can grow about 75,000 corn plants on one hectare.

This concern is shared by conservationists and scientists who worry about the negative impacts the palm oil industry has had on the forests of major production countries – namely Indonesia and Malaysia – spreading as the industry expands to other tropical countries. A 2016 study published in the journal Conservation Letters found that if governments of African countries fail to enact policies regulating forest clearance and promoting preservation, many forests stand to be converted to huge oil palm plantations. This deforestation, researchers say, could release massive amounts of carbon into the atmosphere and contribute to global warming.

However, agriculture consultant George Mbakaya said oil palm plantations can also act as carbon sinks because they are heavy consumers of carbon dioxide. He added that palm oil may also help reduce Kenya's use of emissions-heavy fossil fuels.

"Palm oil byproducts can be used to generate biofuel, biogas and electricity, enabling Kenya to reduce its dependence on fossil fuels," Mbakaya said.

Proponents expect palm oil will yield industrial benefits as well as more reliable income smallholders. But not everyone thinks palm oil will pick up.

Isaac Morang'a, an agronomist practicing in Western Kenya, said farmers are used to crops like corn that they can harvest from the farm and consume or sell directly. He said that for palm oil, few farmers have the technology at the farm level to process the fruit into oil before consuming at home or selling it.

"It will take a long time before Kenyan farmers begin to see returns from palm oil growing," Morang'a said.

Souce: Mongobay

With help from an RSPO volunteer, a customer makes her own lip balm from sustainable palm oil.

SAY YES TO SUSTAINABLE PALM OIL

A campaign based on the theme of "Say yes to sustainable palm oil" was launched by the Roundtable on Sustainable Palm Oil (RSPO) in City Shop, Beijing, on August 10. The goal is to raise consumers' awareness of purchasing green products and adopting a sustainable lifestyle.

This campaign is an important part of the 2017 Sustainable Consumption Week. The Sustainable Consumption Week is co-organized by the United Nations Environment, the UN-China Sustainable Consumption Partnership, the China Chain Store & Franchise Association (CCFA), the World Wildlife Fund China (WWF) and the China Sustainable Retailer Roundtable. It involves a broad range of stakeholders, and aims to raise awareness about sustainable consumption, promote conscious purchasing decisions and create enabling policies for responsible consumption.

RSPO is a not-for-profit association formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. It unites stakeholders from seven sectors of the palm oil industry - oil palm growers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs.

According to Jiang Yun, China Representative on RSPO, China is the world's second largest importer and third largest consumer of palm oil. The forecast annual growth in demand for palm oil in China is 10 percent; by 2020 the total demand will reach 12 million tons. RSPO attaches great importance to the influence of China's imports and exports of sustainable palm oil in transforming the global palm oil market and is committed to making RSPO-certified sustainable palm oil the norm in China.

Source: China News

BEUCO PARAGON FOR SUSTAINABILITY

We operate in environmental engineering sector for agriculture waste which is generally associated with voluminous organic degradable by-products. Leveraging from our hands-on experience through in-house R&D Palm Oil Mill located in Sabah, Bueco Paragon Sdn. Bhd. is founded with the primary focus on environmental products. To date to, the Company has initiated 3 key products to date:

1. Electrostatic Precipitator (ESP) – for boiler emission control;
2. Multi Disc Screw (MDS) - dewatering and extraction of solid waste; and
3. Vertical compost turner (VCT) – turning solid waste to organic fertilizer.

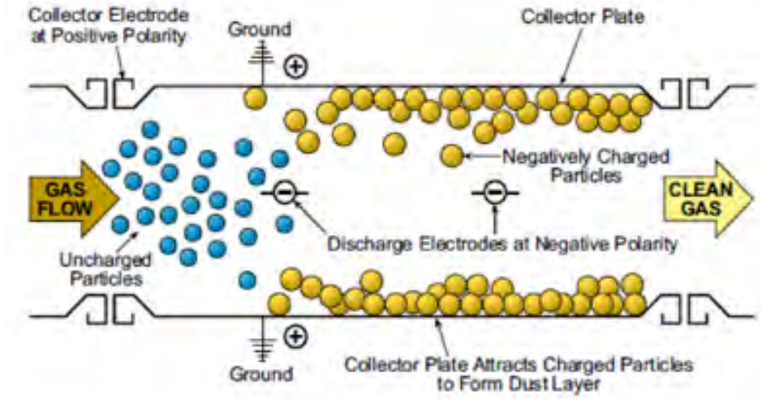
In July Year 2017, we commissioned our showcase Mill which was built with end in mind, i.e. Reduce, Reuse, Recycle (3R) milling concept which aims to plan mill towards efficient waste planning and treatment. To date, we have launched operation of continuous sludge removal system using MDS Dewatering plant and Composting Plant using our Vertical Compost Turner (VCT). By year end, Bueco is scheduled to fully commission our Zero Discharge Effluent Treatment Plant and by mid Year 2018, to commission the ESP plant.

Throughout 2017 we have been creating awareness on ESP - the effective solution to control emission. On 16th August, we participated in a compliant seminar organized by Jabatan Alam Sekitar Negeri Sarawak (Department of Environment) in Kuching on "Pematuhan Kilang Sawit Terhadap Kualiti Alam Sekeliling 1974".

Contact us for more information or visit us during PIPOC November 14th – 16th 2017 in KLCC. We are present at booth 065 (Beuco Paragon) in Hall 4. You may reach us at info@buecoparagon.com

Seminar participants watching ESP video presentation.

DOE officials listening on ESP explanation.



*ESP – Electrostatic Precipitator uses the principle of ionization to remove particles is the most **cost effective** industrial particle emission control device with minimum **impeding of flow.***

1

2

3

4

1 *Installation of ESP and complete unit in operation.*

2 *MDS - Dewatering station installed in Taner R&D mill.*

3 *Branch shredder effective in processing bark, green and waste wood.*

4 *Compost turner in operation*

MALAYSIA, INDONESIA IN TALKS WITH CHINA ON B5 BIODIESEL PROGRAMME

Malaysia and Indonesia are currently discussing implementation of the B5 biodiesel programme in China, said Plantation and Commodities Industry Minister, Datuk Seri Mah Siew Keong.

> *"He said China was now increasing its environmental control on many issues and looking at the possibility of implementing B5 biodiesel, which is a blend of 5% palm oil or palm methyl ester (PME) and diesel.*

"It would be a game changer for the oil palm industry, if China implements the B5 programme as it is a very big market," he added.

He told reporters this after receiving a courtesy call from Indonesia's Minister of Industry, Airlangga Hartanto and the Council of Palm Oil Producing Countries (CPOPC) Executive Director, Mahendra Siregar at his office here, today.

Mah said apart from China, Malaysia and Indonesia will work together to export biodiesel to India.

In a statement distributed in conjunction with the meeting, he also said both countries had agreed that palm oil producing nations needed to strengthen their alliance in combating the campaign against the commodity and trade impediments.

A resolution by the European Parliament recently called for the European Union to phase out the use of vegetable oils, including palm oil in biodiesel by 2020, as these were allegedly produced in an unsustainable manner which resulted in deforestation.

Currently, Indonesia and Malaysia are the major global palm oil producers, accounting for 85 per cent of production and 91.2 per cent of exports globally.

Mah in the statement said both countries agreed that palm oil was an important commodity in terms of providing employment, foreign exchange earnings and socioeconomic development, especially for smallholders.

Both Mah and Hartanto stressed the CPOPC's importance in developing, promoting and strengthening cooperation in palm oil.

In this context, the CPOPC secretariat has been tasked to promote activities and invite more oil palm producing countries to be members," Mah said.

In a separate statement, Mah said revenue from palm oil exports from January to June this year reached RM22.9 billion, representing a 26.9 per cent increase over the RM18 billion recorded in the same period of 2016.

"This was mainly due to an increase in palm oil prices over the same period," he added.

Source: Bernama

THE STORY OF THE PALM OIL INDUSTRY IN MALAYSIA IN PICTURES

Palm oil is very much a part of our daily lifestyle. It can be found in everything from toothpastes, soaps, and detergents to more than half of the packaged foods found on supermarket shelves, as the versatile oil can be used for both food and non-food products. As an industry, palm oil contributed RM38.5bil to the country's Gross Domestic Product last year, with oil palm plantations occupying over 5 million hectares of land in Malaysia.

To mark the centennial celebration of the industry in Malaysia, here are some special images that each tell a story about the different facets of the industry. – Compiled by Wong Li Za

Plantation managers must be careful to keep the land free of pest-attracting undergrowth. Photo: The Star/Azman Ghani

Tyto alba, or barn owls, are used in the biological control of destructive rats on plantations, as seen here at the Sime Darby plantation on Carey Island. Photo: The Star/Azman Ghani

The oil palm produces two types of oils; crude palm oil from the fibrous mesocarp (pictured) and crude palm kernel oil from the kernels inside the fruits. Photo: The Star/Azman Ghani

DID YOU KNOW ?

Malaysia's certification standard allows small farmers to voluntarily contribute to the sustainable cultivation of oil palm. Photo: Malaysian Palm Oil Council

Besides being a top source of vegetable oil, oil palm is also a food source for wildlife. Photo: Malaysian Palm Oil Council

Smallholders have been important players since the early years of the Malaysian palm oil industry and now own about 40% of the planted areas. Photo: Malaysian Palm Oil Council

Source: Star 2

ALFA LAVAL EVAPORATION SYSTEM AS **METHANE AVOIDANCE METHOD**

Your palm oil mill's game-changing solution towards zero liquid discharge

Palm oil milling industry underpins the growth of South East Asia's economy. However, this pivotal economy pillar has also imposed growing threats to the environment, especially with regards to palm oil mill effluent (POME) that has always been a challenge to millers.

POME, an inevitable product of palm oil processing that is acidic and rich in organic content, has the potential to contaminate watercourses and produce greenhouse gases if not properly treated before being discharged. Conventionally, POME is treated using ponding system which involves both anaerobic and aerobic biological process. Anaerobic process in particular, generates greenhouse gases i.e., methane which are extremely harmful to the environment. As a mitigation measure, the Malaysian government has mandated all palm oil mills to build biogas capturing or methane avoidance facilities by 2020.

While some mills can sell the renewable energy generated from biogas plants to the national electric grid with a good feed in tariff (FiT), some face difficulties especially for mills in areas like Sarawak. Also, the high capital investment has halted most millers from moving forward. Today, palm oil millers are challenged from many aspects, from meeting soaring demands to ensuring compliance with current environmental guidelines, while curbing growing expenses and remaining competitive. However, there might be a game-changing technology waiting to be capitalized that makes everything easier.

ELIMINATING POME WITH ALFA LAVAL EVAPORATION SYSTEM

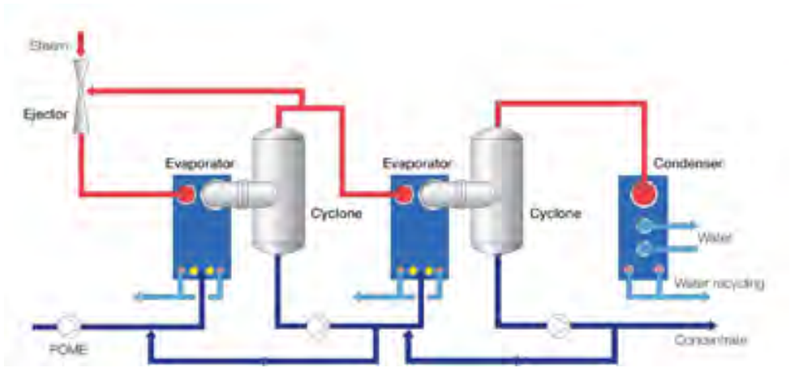
POMEvap is Alfa Laval patent pending evaporation system to efficiently handle POME. The evaporation system combines multiple effect Alfa Laval exchangers and an Alfa Laval condenser to process raw POME into two main streams, the solid concentrate and liquid distillate.

Through multiple effect evaporation, oil remnant from raw POME not fully recovered from oil room can be concentrated further, which presents an opportunity for further oil recovery using decanters. After the decanter oil recovery process, the decanter cake will be mixed together with its heavy phase and transferred back into the last effect evaporator.

From the last effect evaporator, the solid concentrate of up to 40-50% dry solid content can then be easily disposed along with the oil room decanter cake. With further processing and drying, this solid concentrate can also be sold as animal feed, compost, fertilizer or palletized for added source of mill income.

Meanwhile from the evaporation system, the liquid distillate generated is visually clear and free of colour, which is in favour of general concerns on discharge colour. The liquid distillate also has a low BOD which is as good as BOD after the anaerobic process.

POMEvap is compact, versatile and has a small footprint compared to the conventional ponding system.



Depending on the local environmental regulation on final BOD discharge parameter, the liquid distillate could either be discharged via land irrigation, post aeration process, or after polishing. There will no longer be a need for anaerobic ponding or tank system, investment in desludging equipment and regular polymer consumption. For millers to be compliant with environmental regulations, POMEvap effectively serves as a methane avoidance system and is the alternative solution to investing in methane capturing system such as biogas plant which comes with high capital expenditure and potentially, complexity of biological system.

Such a shift is, of course, associated with investment but only half of an aggregate capital of biogas capturing facilities. Additionally, the environmental incentives combined with evaporation system that minimizes liquid discharge, smaller footprint, shorter payback time and increased rate of profit, could mean that the conventional ponding treatment system will slowly become a thing of the past.

General features of the Alfa Laval POMEvap system:
- Highly resistant to fouling
- Easy to operate and maintain
- Easily accessible for inspection or mechanical cleaning
- Corrugated patterns assist in self-cleaning
- Compact and space-saving
- Versatile – capacity can be easily adjusted to meet changing needs

Rob Evers, Head of Global Sales, Evaporation Systems will be presenting about this topic on Thursday, 16 November 2017, from 3.30 - 3.50 pm during Session 7, Environment and Sustainability II conference at PIPOC 2017. Come and find out for yourself how this technology can benefit you and your business.

Flexibility of POMEvap to expand capacity by adding plates.

SMALLHOLDERS BENEFIT FROM RISDA'S ASSISTANCE VIA BUSINESS VENTURES

The federal government feels the pulse of the people when it fulfils their aspirations by continuing to ensure their provisions and aid reach the needy groups, including the smallholders.

That is one of the testimonies expressed by Norsham Sarijon 55, an oil palm operator in Bukit Indah here.

She said the government through the Rubber Industry Smallholders Development Authority (Risda) had taken several initiatives to assist the smallholders in the district in addressing the rising cost of living.

"I have been working with my siblings on our 1.2-hectare oil palm farm that was handed down to us by our parents all this while. The income is unpredictable, with an average net income earned of between RM1,000 and RM1,500 depending on the season.

"But on our own initiative, we have been registered with Risda since 2012 and we have been able to continue operating this farm. Besides replanting aid, I have also benefited from the additional economic activities (AET) programme introduced by Risda to generate side income," she told Bernama.

The uncertainty of palm prices and price slump was an opportunity for her to utilise the capital assistance from Risda to increase her family income to become a successful entrepreneur selling food products such as curry puffs and doughnuts.

"Through AET, I receive financial assistance of RM20,000 from Risda early last year, including in the form of equipment and machinery purchases,? she said, adding that she could now earn extra incomes of RM2,000 to RM 2,500 monthly selling her frozen food from home.

Similar sentiments were expressed by Kamala Adnan, 53, and her husband Sharum Kamsani, 69, who also utilised the facilities provided by the government as a springboard to get out of the clutches of poverty.

The couple from Ijok, said that the government had helped many smallholders by ensuring that particularly those living on the fringe of urban areas were not excluded from the opportunity to improve their standard of living.

They have also benefited from Risda's assistance through the AET programme apart from cultivating the crop on their own piece of land.

Risda, through the AET programme, encourages smallholders, including those involved in oil palm and rubber planting, to engage in entrepreneurship

The programme's goal is to see the smallholders earn an income of at least RM 4,000 per month by 2020 by focusing on the four key areas of service, food, manufacturing and agriculture.

Source: Bernama

INNOVATIVE TERENGGANU SCHOOL PROFITING AFTER **TRANSFORMING IDLE LAND** INTO OIL PALM SMALLHOLDINGS

Group Managing Director of TDM Berhad, Datuk Mohamat Muda, (two right) planting palm trees donated to SMK Pelong estate. (pix by NAZDY HARUN)

A school in Setiu is now nearly independent of financial assistance from the district Education Department to run its activities.

This is attributed to the innovative ideas of its teachers as well as the Parent-Teacher's Association, who decided to transform 0.8 hectares of idle land into oil palm smallholdings.

Sekolah Menengah Kebangsaan Pelong is now a shining example of how a rural school can turn its idle assets into a money spinner.

The idea to develop the land started in 2012 with about 1,000 oil palm seedlings worth RM15,000 donated by state-owned TDM Plantations.

Last year, the first harvest of small bunches of fruits yielded RM5,500 worth of gross sales.

This year the PTA is expected to earn more as the fruit bunches becomes much bigger, heavier and more productive.

> *"We had no idea of what to expect of this project. It was touch and go with a lot of trust given by the teachers to the PTA, which was tasked with managing the smallholdings and the income derived from the harvest," said SMK Pelong PTA chairman Mohamad Saad.*

Mohamad said the oil palms were initially planted on a 0.4 hectare land which belonged to the school. This year, another 1,000 trees would be planted on another 0.4 hectare.

Looking ahead, Mohamad said when the second phase starts producing fruits in four years, there is a strong possibility that the PTA could earn more than RM10,000 per harvest from the 0.8 hectare smallholdings.

"After deducting costs for labour and fertiliser, the PTA will have more than enough funds to conduct activities for both the teachers and students as well as organise community projects related to education involving villagers.

"In fact, we will be supporting the costs for tuition for students who will be taking examinations this year," he said, adding that a majority of the students in SMK Pelong came from poor families whose parents are rubber tappers and odd-job labourers.

His deputy Abdul Rahman Abu Bakar said TDM Plantations donated all the oil palm for both the first and second phase.

"It will cost us RM30,000 to buy 2,000 trees. But we are thankful to TDM Plantations for the donation. Our costs are only related to maintenance, including hiring local youths to harvest the fruits and apply fertiliser.

"This programme benefits the villagers in more ways than one, although empowering education is the main objective," he added.

Source: New Straits Times

THE 7TH EDITION OF THAILAND'S LARGEST PALM OIL EXHIBITION ENDED ON A HIGH NOTE WITH MORE THAN **2000 TRADE VISITORS** AND **USD 30 MILLION** WORTH OF POTENTIAL TRANSACTIONS!

The Thai Oil Palm and Palm Oil Association successfully hosted The7th edition of PALMEX Thailand which opened to more than 2,000 visitors and more than 80 exhibiting brands during the 2-day tenure.

More than USD 40 Million of potential business transactions were generated during the event. This year event sees an increase in more than 30% exhibitors and more than 25% increase in trade visitors signifying the success of this event which had been running for 7 years and is currently Thailand's only Palm Oil event and one of Asia's most successful one of its kind!

Co-located with the expo is the 7th edition of the Asia Palm Oil Conference (APOC) 2017 which had also attracted more than 100 international delegates discussing the current state and the future of the Thai Palm Oil industry featuring speakers who are renowned palm oil experts from Thailand, Malaysia, Indonesia and Europe.

The next edition of PALMEX Thailand 2018 would be moved to Krabi, Thailand and would take place at The Maritime Park and Spa Resort from 16-17 August 2018.

ABOUT PALMEX THAILAND

PALMEX Thailand is the only specialized Palm Oil event in Thailand that brings together an international congregation of both upstream and downstream palm oil companies and also its supporting industries gathered in the heart of the industry to showcase the latest developments in the palm oil industry.

Thailand, currently ranked #3 in the world for CPO is a potential and viable market for palm oil technology companies as the industry is currently honing new palm oil technologies and equipment to help spur its production further!

Fireworks Trade Media Group which is the world's largest organizer for Palm oil events such as PALMEX Indonesia, PALMEX Malaysia and PALMEX Latin America is the organizer of this event. The event is hosted by the Thai Oil Palm & Palm Oil Association and supported by Thai Palm Oil Refinery Association, Thai Palm Oil Crushing Mill Association, Asia Palm Oil Technology Association and Thai Biodiesel Producer Association.

Currently, more than 80% show space have already been reserved and more international palm oil machinery and technology brands from around the world have also expressed their interest in this event!

For more information about PALMEX Thailand 2018 or Asia Palm Oil Conference (APOC) 2018 please call us at: (+66) 2513-1418 or email us at: thai@asiafireworks.com


1


2


3

4

1 *Over 3,000 professional trade visitors attending*

2 *Mr.Witchawut Jinto, Surat Thani Deputy Governor, Chairman of the Opening Ceremony PALMEX Thailand 2017*

3 *Honor speakers in Asia palm oil conference (APOC) 2017*

4 *Exhibitor Highlights from exclusive company*

SIMA ASEAN THAILAND 2017

SIMA ASEAN Thailand 2017 was officially opened on 7th September 2017 from Hall 5-6 of IMPACT Exhibition & Convention Center and IMPACT Lakeside, Bangkok, Thailand through the joint efforts of both the government and private sectors.

Dr. Suwit Chaikiattiyos, Director-General, Department of Agriculture, Ministry of Agriculture and Cooperatives Thailand, presided over the opening ceremony and other key dignitaries from various government bodies and industry associations attended the function.

This year's show provided a comprehensive range of innovative agricultural technologies and equipment such as inputs, traction, soil working equipment, plant treatment, harvesting, irrigation, storage, breeding equipment and spare parts.

Running concurrently with the exhibition were a series of informative seminars and conferences from expert speakers. Highlights included 'The 18th TSAE National Conference and The 10th TSAE International Conference' organized by the Thai Society of Agricultural Engineering and 'Thai Innovation Leads to Thailand 4.0' organized by the Department of Agriculture, Ministry of Agriculture and Cooperatives. At the same time, the 1st International Agri Drone Conference & workshop was held alongside the show.

The exhibition showcased the latest technology and innovations. Visitors were able to experience the latest products from local and international leading companies, with more than 300 global brands on the indoor and outdoor exhibition space of 13,700 sq.m.

The 3-day trade exhibition attracted more than 9,110 trade visitors from 41 countries such as Australia, Bangladesh, Brunei, Cambodia, Canada, China, Cyprus, Finland, France, Germany, Hong Kong, India, Indonesia, Iraq, Israel, Italy, Japan, Malaysia, Myanmar, Netherlands, Nigeria, Pakistan, Philippines, Russia, Singapore, South Korea, Sri Lanka, Sudan, Switzerland, Taiwan, Turkey, UAE, United Kingdom, USA, Vietnam and many more. Also, more than 120 attending VIP Buyers from 13 countries generated over 800 business meetings during the event.

Once again, we would like to express our sincere thanks and appreciation to all those involved for contributing to the success of this year's great event. We strive to make the next edition even bigger and better for the industry.

Site visit to Felda Tekam Research Centre

9th ASIA Sustainable Oil Palm Summit, 31 Jul-02 Aug, 2017 - Kuala Lumpur, Malaysia

Delegates at CMT?s 9th ASIA Sustainable Oil Palm Summit in Pullman Hotel KLCC

CMT'S 9TH ASIA SUSTAINABLE OIL PALM SUMMIT

ON 31 JULY –02 AUGUST 2017 IN KUALA LUMPUR, MALAYSIA DISCUSSED NEW ISSUES AND PROBLEMS AFFECTING THE PALM OIL INDUSTRY.

Key highlights in this event:

- Driving Sustainability – Updates from Palm Oil Producers
- Tightening up RSPO's accountability mechanism & moving forward on sustainability
- Taking our plantation business to the next level
- Palm Oil price outlook and prevailing trends
- Kao - a leading buyer's approach on sustainable sourcing of palm oil & challenges faced
- Role of genome editing on sustainable agriculture and its economic impact on the oil palm industry
- Increasing dominance of No Deforestation, No Peat, No Exploitation (NDPE) policies in the oil palm industry and the way forward
- Recent developments on 3 -McPD and glycidyl esters in palm oil and fats
- Supreme grade organic fertilizer from palm oil industrial waste
- From palm oil waste and empty fruit branches to premium packaging products
- Latest in drone technology and smart agriculture for sustainable solutions
- To plant on peat or to restore peatland
- Responsible management of peatland with real time technology water monitoring systems
- Best Replanting Model for Early Oil Palm Yielding

The conference also had a one day tour prior to the conference - to Felda Research Centre to view the Nursery and Seeds Production & Breeding Unit follow by a visit to FELDA'S GAP (Good Agricultural Practices) facility.

President of MOSTA making an important point


International Panelists


Questioning session

MOSTA **BEST PRACTICES** WORKSHOPS IN 2017

MOSTA has conducted two very successful Best Practices Workshops in 2017 i.e

1) Quality Improvement Workshop: from FFB to PPO in July

2) Recipe for High, Sustainable Oil Palm Yields in September
And it is very encouraging to see active interactions between the participants and panellists during the Panel Discussion.


Field visit to oil palm Estate

ICIS

SAVE $300*

The 6th ICIS Asian Oleochemicals Conference

16 - 17 January 2018 // Kuala Lumpur, Malaysia

Embracing the challenge of oversupply through diversification of basic derivatives and downstream market integration

WHAT'S NEW FOR 2018:

- **Wider coverage of oleochemical feedstocks:** a closer look at Indonesia and Malaysia as the key producers of palm oil and a session outlining the coconut oil key trends
- **Spotlight on China and India** as demand drivers of the industry
- **Global flavor to review Asia's competitiveness –** rapeseed and soybean market outlook
- **Asian economic outlook:** how is the region contributing to overall market upsurge? Will this increase investment opportunity in the oleochemical space?
- **Synthetic vs Natural routes:** compare and examine the differences of these two routes during the panel discussion

KEY BENEFITS OF ATTENDING:

- **Prepare yourself and your strategy** in the midst of the overcapacity challenges in Asia
- **Receive first-hand information** from key industry experts from the entire value chain
- **Know more about what's happening outside Asia** through our selected globally-focused topics including India and China
- **Expand your network** through interaction with other delegates. This event has been well-attended by representatives across the globe!

OVER 400 ATTENDEES participated since 2013

OVER 200 COMPANIES attended since 2013

30 COUNTRIES represented since 2013

Media Partner: ASIA PALM OIL

*** Register by Friday 3 November 2017 to save USD $300 on the standard delegate fee**
N.B. You must enter the promo code **AUU10531** to receive your discount!

Visit: **www.icisconference.com/asianoleo**
Call: **+44 (0)20 8652 3887** Email: **events.registration@icis.com**

ICIS

Co-produced by: NEIL A BURNS LLC

Group discounts available!*

The 7th ICIS Asian Surfactants Conference

Investing downstream: The path to growth and profit

9 – 10 November 2017 // PARKROYAL on Pickering, Singapore

Confirmed speakers and topics include:

Perpetua George
General Manager - Group Sustainability
WILMAR INTERNATIONAL
Sustainability: Supporting long-term growth of the oleochemical industry

Wanglin Yu
Principal Research Scientist
DOW CHEMICAL COMPANY
Functional surfactants: Applications and growth drivers

Senior Representative
EXXONMOBIL BIOMEDICAL SERVICES, INC
Branched Alcohols: Enabling high performance and biodegradable surfactants

Kalpesh Ambani
Head of LAB
RELIANCE INDUSTRIES
Linear alkybenzene and sulfonate market: Indian case study

Bonwook (Bonuc) Koo,
Business Development Manager, Asia-Pacific, Cosmetics, **IMERYS PERFORMANCE ADDITIVES**
Korean cosmetics: Where consumers lead innovation

Leza Parker
CEO
SC BEAUTY NETWORK
Asian beauty network – A revolution in retailing

23 COUNTRIES represented since 2011

OVER 250 COMPANIES attended since 2011

OVER 550 DELEGATES participated since 2011

Media partners: hpcindia, ChemicalWeekly, HPC Household Personal Care, Green Chemicals Blog, Continental Cosmetics and Herbals, Asia Palm Oil

***SAVE UP TO 10% ON GROUP BOOKINGS!**
Book your place today to join the key industry players - Quote promo code **EAT62940**
www.icisconference.com/asiansurfactants +44 (0)20 8652 4659
events.registration@icis.com

ADVERTISER INDEX

PAGE	ADVERTISERS	WEBSITE
61	Alfa Laval Malaysia Sdn Bhd	www.alfalaval.my
33	Biotec Internationl Asia Sdn Bhd	www.bio-tec.net
57	Climate Energy Sdn Bhd	www.climateenergy.net
17	Elliott Group	www.elliott-turbo.com
65	Eurostar Group of Companies	www.eurostartractors.com
53	Green Energy Resources (M) Sdn Bhd	www.greenenergyresources.com.my
29	HA-US Santrifuj Teknolojileri SanTic Ltd Sti	www.haus.com.tr
47	IBG Manufacturing Sdn Bhd	www.ibgv.com.my / www.ibgbiofertilizer.com.my
13	Jasa Aman Engineering Sdn Bhd (Prime Steam Turbine)	www.jasaaman.com
IBC	JJ-Lurgi Engineering Sdn Bhd	www.jj-lurgi.com
25	Kejuruteraan Wang Yuen Sdn Bhd	
74	Malaysian Palm Oil Certification Council (MPOCC)	www.mpocc.org.my
27	Mackenzie Industries Sdn Bhd	www.mackenzieind.com
39	Marelli Motori Asia Sdn Bhd	www.MarelliMotori.com
INSERT CARD	Muar Ban Lee Engineering Sdn Bhd	www.mbl.com
19	Myande Group Co. Ltd	www.myande.com
51	Nantong Ant Machinery Co. Ltd	www.antcn.cn
66	Orion Biosains Sdn Bhd	www.orionbiosains.com
71	PALMEX Malaysia 2018	asiapalmoil.com
75	PIPOC 2017	www.mpob.gov.my
09	PMT Industries Sdn Bhd	www.pmt-grp.com
23	Privasat Sdn Bhd	www.ipsat.com.my
35	Schutz Malaysia Sdn Bhd	www.schuetz.net/malaysia
12	SP Energy Sdn Bhd	www.spnergy.com
05	Taner Industrial Technology (M) Sdn Bhd	www.taner.com.my
77	The 7th ICIS Asian Surfactants Conference	www.icisconference.com/asiansurfactants / events.registration@icis.com
76	The 6th ICIS Asian Oleochemicals Conference	www.icisconference.com/asianoleo
3/ IFC/ OBC	YKL Engineering Sdn Bhd	www.yklgroup.com.my

INTERNATIONAL MARKETING OFFICE

MALAYSIA | FBI Publications (M) Sdn Bhd
W505, West Wing, Metropolitan Square, No.2 Jalan PJU 8/1, Damansara Perdana,
47820 Petaling Jaya, Selangor
Tel: (+603) 7493 5947
Fax: (+603) 7493 5977
Email: my@fireworksbi.com

SINGAPORE | Fireworks Business Information
1 Scotts Road, #24-10, Shaw Centre
Singapore 228208
Tel: (+65) 3152 6851
Fax: (+65) 3152 0253
Email: sg@asiafireworks.com

THAILAND | Fireworks Business Information
Promphan 2 Office & Residence, 8th Floor (Office Zone, Room 807) 1 Soi Lat Phrao 3, Lat Phrao Road, Jompol, Chatuchak, Bangkok 10900
Tel: (+66) 2513 1418
Fax: (+66) 2513 1419
Email: thai@fireworksi.com

INDONESIA | Fireworks Business Information
The Central 88 Kemayoran. Komplek Kota Baru, Bandar Kemayoran Blok D No 308. Jakarta Utara 14410, Indonesia
Tel: (+6621) 2605 1028/ 2605 1029
Email: info@fireworksbi.com

YKL ENGINEERING SDN. BHD. (568547-U)
YTH AGRI-TECHNOLOGY SDN. BHD. (820140-D)
PT. YKL INDONESIA

YKL GROUP OF COMPANIES

FFB Treatment & Hard Bunch Solution Series

Heavy Duty FFB60 / Splitter
Model : KH-7

Hard Bunch Separator & Crusher
Model : KH-12C

Hard Bunch Separator
Model : KH-12

Empty Fruit Bunch Series

Heavy Duty EFB Shredder
Model : KH-77 / KH-77-12

Heavy Duty EFB Press
Model : KH-777

Heavy Duty & High Capacity EFB Press
Model : KH-777-12

Heavy Duty EFB Long Fibre Press
Model : KH-777-15

Kernel Crushing Plant Series

Automated Seed Pressing Machine
Model : YTH-9.15S

Hydraulic Control Crude Oil Filter Press
Model : YTH-7.40

Heavy Duty Hammermill / Pulverizer
Model : YTH-7.100

Desludging & Dewatering System

Screw Press Desludging & Dewatering Machine
Model : KSP403

Rotary Drum Dehydration Belt Filter Press
Model : YH-1500L

TURNKEY PROJECTS

40yrs-experience in palm oil industry

For More Information, please contact us at :

Headquarter
(Johor, West Malaysia)
Lot 663, Bt. 10,
Kampung Paya Panjang,
84300 Bukit Pasir, Muar,
Johor, Malaysia.

Tel : +606-9859 155,
+606-9857 518,
+606-9859 076
Fax : +606-9857 567,
+606-9857 576
Email : ykl@yklgroup.com.my
Website: www.yklgroup.com.my

Branches
(Sabah, East Malaysia)
Sandakan Branch :
Batu 10,
Jalan Gereja Off Jalan Labuk,
90000 Sandakan,
Sabah, Malaysia.

Tel & Fax: +6089-563 388
Email : yklgroup.sd@gmail.com

(Sarawak, East Malaysia)
Bintulu Branch :
Lot 3134, Block 26,
Kemena Land District,
Kidurong Light Industrial Estate,
P.O. Box 2262, 97000 Bintulu,
Sarawak, Malaysia.

Tel : +6086-252 421
Fax : +6086-252 429
Email: yklsarawak@yklgroup.com.my

(Jakarta, Indonesia)
Jalan Baru Pemda,
Kawasan Industri Millenium,
Jl.Millenium IV A-24 No.6-7-8,
Cikupa - Tangerang
15710, Indonesia.

Tel : +6221-2900 6927,
+6221-2900 6937
Fax : +6221-2900 6898
Email: yeo@yklindonesia.co.id