



# E-Newsletter

## Sarawak Oil Palm Plantation Owners Association

March 2016 Issue

### Chief Executive Officer's Message



Dear SOPPOA Members,

I am pleased to introduce this maiden issue of the SOPPOA E-Newsletter. This E-Newsletter will be emailed to all our members to keep them informed on a regular basis on the initiatives, programs and events organised by SOPPOA or with relevant partners or governmental agencies.

We will strive to improve the format and contents of this newsletter going forward. Accordingly, members are most welcomed to contribute articles, suggestions and feedback to SOPPOA so that we can continuously improve to serve members better.

Thank you.

Yours Sincerely  
Sylvester Fong



• Following the workshop, MPOB researchers and SOPPOA participants had identified the following R&D projects to emphasize on, namely;

1. Agronomy issues, fertilizer recommendations and best management practices of oil palm cultivation on peat
2. Issues related to poor fruit set in both peat and mineral soils, and low oil extraction rate (OER)
3. Weevil population study, including relations between weather pattern and weevil population and cropping pattern
4. Insect pests especially termites and tirathaba problems, and their management
5. Rats management in palm oil estates, and
6. Control and management of ganoderma diseases and other diseases on oil palm.

### MPOB Reinforces R & D Collaborations with SOPPOA Members (Update)

- SOPPOA and MPOB successfully organised a joint workshop on 10 March 2016 entitled "Workshop to Enhance Productivity and Improve overall Performances in Plantation Management in the palm Oil Industry in Sarawak"
- Over 70 participants from all over the State attended the workshop.
- A host of R&D issues such as causes of poor fruit set, and pest and diseases were deliberated with the aim to enhance the productivity of Sarawak oil palm industry, especially for the member estates of SOPPOA.

• The following papers were presented and discussed:

- ✓Keynote paper on upstream issues on the Sarawak oil palm industry and Research gaps to be covered by Chua Kian Hong of SOPB
- ✓Fertilizer recommendation and best management on peat En Hasnol Othman, MPOB
- ✓Low fruit set and low OER issues in Sarawak by Dr Ramle Moslim, MPOB
- ✓Insect pests on peat by Dr Ramle Moslim, MPOB
- ✓Rats Management, by Chung Gait Fee, Consultant
- ✓Ganoderma and other diseases on peat planting by Dr Idris Abu Seman, MPOB

• A small task force will be formed comprising members of MPOB research team and SOPPOA R&D Committee to prioritize the identified research projects for implementation. MPOB researchers will work with interested SOPPOA member-companies on these projects

• It is intended that research findings and knowledge gained from these R&D projects will be shared for the benefit of all SOPPOA members in Sarawak.

• MPOB research team met and had internal discussion on 31 March 2016 regarding the R & D projects with SOPPOA members. An action plan had been drawn up to move forward with the R&D projects in Sarawak. ◊



# A Dialogue session

was also held between MPOB Director General, **Datuk Dr Choo Yuen May** and **SOPPOA participants** at the end of the workshop where a number of pertinent issues of concerns affecting the Sarawak oil palm industry were raised:



- **Installation of biogas trapping and methane avoidance facilities**

All new mills and existing mills applying for throughput expansion are required to comply with the new conditions for approval of the license. SOPPOA had objected to the introduction of the facility due to the fact that it is costly investment, with the non-availability of sale of excess electricity generated through biogas plants and that this new ruling impacts mainly mills in Sarawak as majority of new mills and capacity expansions are in Sarawak.

In view of the sizeable sum required for the installation, SOPPOA appealed to MPOB for an exemption for Sarawak millers until such time when a mechanism is in place for the excess power generated to be sold to an offtaker (e.g., Sarawak Energy) based on a feed-in-tariff to be established. This is because without an offtaker or Power Purchase Agreement, there's no way Sarawak millers can recoup the huge installation cost, keeping in mind that Sarawak palm oil industry is comparatively young compared to our West Malaysian counterparts.

- **Issuance of licenses for collection centres (dealer Fruits Licenses)**

There have been cases where licences have been issued for operators to set up their collection centres in close proximity to SOPPOA's member estates. SOPPOA appealed to MPOB to ensure strict criteria are adhered to in issuing licences for collection centres to ensure that the interests of SOPPOA members' estates are always safeguarded specifically with respect to harvesting and sales of FFB.

Ideally, feedbacks from SOPPOA's member estates in the vicinity should be sought and considered before approval of DF licences for FFB collection centres.

- **Concern of acute labour supply shortage and high levy costs**

It was also highlighted that Sarawak oil palm industry is still facing a shortage of manpower. It is a well-known fact that many locals shun menial plantation works which they regard as hard labour. Many SOPPOA's member estates are carrying out mechanisation of field works such as FFB evacuation but more time and efforts are needed to determine the most effective and viable method due to the challenging characteristics of ground conditions. Since potential losses arising from insufficient field workers, especially harvesters, are substantial, uninterrupted supply of suitable manpower without unjustifiable increase in levy is critically important for the wellbeing of the whole industry.

- **Intensification of R&D and innovations needed to speed up mechanization of field works such as FFB evacuation and harvesting equipment**

Director General MPOB informed that a new incentive scheme under RMK-11 will be offered to estates that are interested to implement mechanization. The incentive, in which the application procedure is still being worked out by MPOB, will involve a 20% discount on the price of the approved equipment and machinery. The subsidy scheme is primarily for FFB evacuation machinery as well as for harvesting equipment, but excluding lorries and tractors.

- **Issues relating to High Carbon Stocks (HCS) study**

This study was initiated by five major oil palm growers together with Cargill and Unilever, to deepen commitments on various aspects of sustainable palm oil. SOPPOA pointed out that the study which aims to establish thresholds for what constitute HCS forests, ought to take into account the local situation of the region where the HCS formula will be duly applied. In other words, studies cannot be confined to just one region as the HCS threshold values derived from one region may differ from others. Inputs from regional stakeholders must be taken into account as they are the ones who will be directly impacted. One way to do this is to set up a regional committee consisting representatives who have a stake in the project. This is important in order to ensure that the development of native customary rights (NCR) land in Sarawak will not be curtailed by the imposition of any unfair criteria.

- **Question raised on whether it is possible to have partial certification under MSPO for an estate wherein a small area of land is under dispute (e.g. A small area of the estate is claimed by natives)**

MPOB had clarified that a partial certification is not allowable under MSPO standard.◊





**Annual General Meeting held on 21 March 2016**

AGM attended by 19 Representatives and by Proxies representing 52 members

## **SOPPOA's requested for rejection of proposed lifting of the freeze for independent Dealer Fruits (DF) License applications in Sarawak**

A proposal was made to MPOB Board of Directors for the lifting of the freeze for independent Dealer Fruits (DF) License Applications in Sarawak.

On learning of this development, SOPPOA immediately on 17 March 2016 communicated with MPOB Director General, Datuk Dr Choo and MPOB Board Secretariat to request for the rejection of the proposed lifting of the said freeze on DF license application.

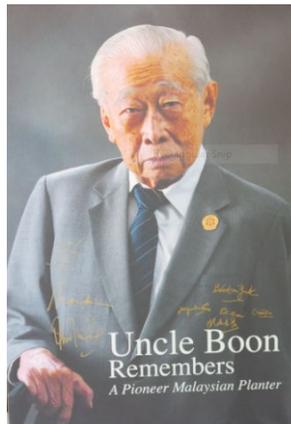
MPOB Director-General had responded on 25 March 2016, informed that the views of all MPOB Board Members will be collected and presented at the upcoming MPOB meeting to be held on 21 April 2016 for a final decision to be made at that meeting.

### **MPOB – SOPPOA Workshop – on 10 March 2016**



### **Attended MEOA Annual General Meeting and Annual Dinner**

SOPPOA Advisor Paul Wong and spouse, Council Secretary Shannon Yii and CEO Sylvester Fong attended MEOA Annual General Meeting and Annual Dinner including the launch of MEOA's Past President Datuk Boon Weng Siew's biography project. - *Uncle Boon Remembers – A Pioneer Malaysian Planter*



### **Visit of Mr Morten Thoro from 25 to 29 July 2016**

Mr Morten Thoro, a qualified Danish forester, will visit Sarawak in connection with the writing of a technical and scientific analysis on forestry and deforestation in Malaysia, especially Sarawak. The purpose of the report is to address Environmental NGO's allegation driving the no deforestation campaign and western perceptions of governance problems in the forestry sector, particularly in relation to indigenous groups and native land rights.



**UPCOMING EVENTS**  
MARK YOUR CALENDAR



# Industry News – Indonesia to test Malaysian peatland compaction method to prevent forest fires |

article from The Sun Daily 2 Apr 2016

JAKARTA: The Indonesian government will test a Malaysian peatland management method, called compaction, in a bid to prevent annual land and forest fires in peatland areas.

A local English newspaper, The Jakarta Post today quoted an Environment and Forestry Ministry official as saying that it would test the method, introduced by Lulie Meiling, the director of the Tropical Peat Research Laboratory in Sarawak, Malaysia.

"We will try the method in West Kalimantan, North Sumatra, Riau and Palembang," said the ministry's Director of Forestry Product Research and Development Centre, Dwi Sudharto, as quoted by the newspaper.

Dwi said the government was studying the effectiveness and compatibility of the method in Indonesia and would only try the method in peatland that was not too vast.

According to Lulie, the method was ideal for Indonesia, which had peatland with high porosity, because it made the soil more solid, preventing it from losing water quickly and making it much more resistant to fire.

She said peatland in Sarawak rarely caught fire, unlike in Indonesia, because of the compaction method, which had been used for a decade to boost the production of palm oil plantations in peatland areas in Sarawak.

The Peatland Restoration Agency (BRG) is also considering using the land compaction method.

## List of Council Members and Office Bearers for Year 2015-2017



No	Council Member	Office Bearers
1	Datu Vasco Sabat Singkang	Chairman
2	Tiong Chiong Ong	1 <sup>st</sup> Vice Chairman
3	Dato' Sri Law Kiu Kiong	2 <sup>nd</sup> Vice Chairman
4	Shannon Yii Chong Hee	Secretary
5	Dato' Jin Kee Mou	Treasurer
6	Dato' Ha Tiung Noon	Deputy Secretary
7	William Yii Hee Poh	Deputy Treasurer
8	Tan Sri Datuk Lau Hieng Wui	
9	Dato Wong Kuo Hea	
10	Datu Dr Hj Sulaiman Hj Husaini	
11	Patrick Wong Haw Yeong	
12	Polik Bin Hamzah	
13	Eric Kiu Kwong Seng	
14	Wong Kai Song	
15	Daniel Ding Huong Chen	

### Advisors

Dato' Ding Lian Cheon

Dato Wong Kuo Hea

Paul Wong Hee Kwong

In October 2015, Malaysian Prime Minister Datuk Seri Najib Abdul Razak had met Indonesian President Joko Widodo (Jokowi) and raised the problem of haze from Indonesia which had threatened the interests of the people of Malaysia and disrupted the economic, social and educational activities.

During bilateral discussions, Najib said, Malaysia had stated its preparedness to boost cooperation and offer Malaysian experts and methods to overcome forest fires.

Last year, four months of forest fires in Indonesia resulted in serious haze in Malaysia and other neighbouring countries, with Air Pollutant Index readings at very unhealthy levels and forcing the government to close schools in several states in a move to safeguard the health of students. — Bernama

**CONTACT US** 

### Sarawak Oil Palm Plantation Owners Association

*Persatuan Pemilik-Pemilik  
Ladang Kelapa Sawit Sarawak*  
(Nombor Pendaftaran  
Pertubuhan 2081-08 SWK)

No 30, 2<sup>nd</sup> Floor, Travillion  
Commercial Centre, 93100  
Kuching, Sarawak, Malaysia.  
Tel: +6082 236 872  
Fax: +6082 236 873  
Email: sylvesterfong@ymail.com