



AFRICA – Is it Really the Next Frontier for Oil Palm Expansion ?

by

Helmy Othman Basha

PALM OIL ECONOMIC REVIEW & OUTLOOK SEMINAR 2017

Pullman Kuala Lumpur City Centre

17th January 2017



Next Frontier?

FACTS

- ❑ FACT #1 - Oil Palm originated from West Africa
- ❑ FACT #2 - There's plenty of available land for planting (West/Central Africa)
- ❑ FACT #3 - There's plenty of labour available
- ❑ FACT #4 - Major plantations players already have their footprint

FACTS – Cont'd

- ❑ FACT #5 - Despite expansion in the last 10 years, total planted area remain small
- ❑ FACT #6 - Announcements of expansion do not translate into actual planted area
- ❑ FACT #7 - Some players have pulled out or stop expanding
- ❑ FACT #8 - Very few success stories

WHY?

- ❑ FACT #1 - Land is under tribes/natives rights. Process of getting land is lengthy
- ❑ FACT #2 - Expectation of local people/Governments does not match with Investors' expectation
- ❑ FACT #3 - Although cost of land is cheaper, total development cost is higher
- ❑ FACT #4 - Except for certain locations in a few countries, most areas have distinct dry season (lower yield). More suitable for rubber

- ❑ FACT #5 - Compliance to RSPO & NGO's demand slow down the process
- ❑ FACT #6 - Inability to navigate through web of Governments' bureaucracy
- ❑ FACT #7 - Lower productivity/skillset resulting in higher costs
- ❑ FACT #8 - High CSR costs/difficulties in dealing with local communities
- ❑ FACT #9 - Poor infrastructure, accessibility, support services (contractors, vendors) slow down development

WHO & WHERE?

- ❑ LIBERIA - Sime Darby, KLK, Sinarmas
- ❑ GHANA - Wilmar, SIAT
- ❑ IVORY COAST - SIFCA(Wilmar/Olam), SOCFIN
- ❑ NIGERIA - Wilmar, SIAT, SOCFIN
- ❑ GABON - Olam, SIAT
- ❑ CAMEROON - SOCFIN
- ❑ CONGO (DRC) - Feronia, SOCFIN
- ❑ SIERRA LEONE - SOCFIN

In Liberia



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Landgrabbing in Liberia: Tell Equatorial Palm Oil NO means NO!



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Palm oil companies Sime Darby & Golden Veroleum accused of landgrabs in Liberia

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Golden Agri-Resources: Land Grabbing in Liberia

In 2013, the Sinar Mas Group publicly announced its intention to invest \$1.6 billion into Liberian palm oil plantations over the next ten years. The deal is to be channeled through the Verdant Fund,

In Gabon

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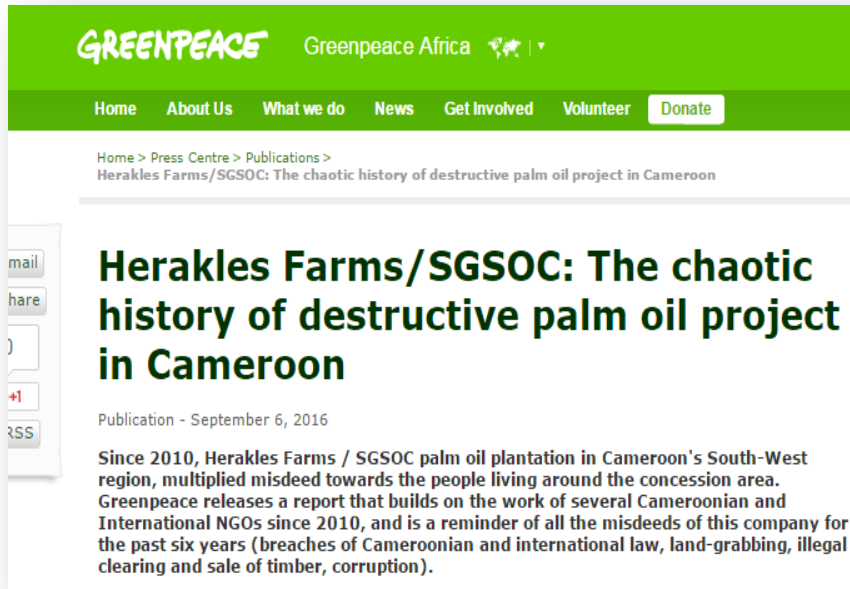
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Guardian sustainable business the palm oil debate

Palm oil boom: companies must clean up their act in Africa

Deforestation, climate change and land rights abuse: the palm oil industry has a troubled track record. But proponents say it can be a force for good



GREENPEACE Greenpeace Africa

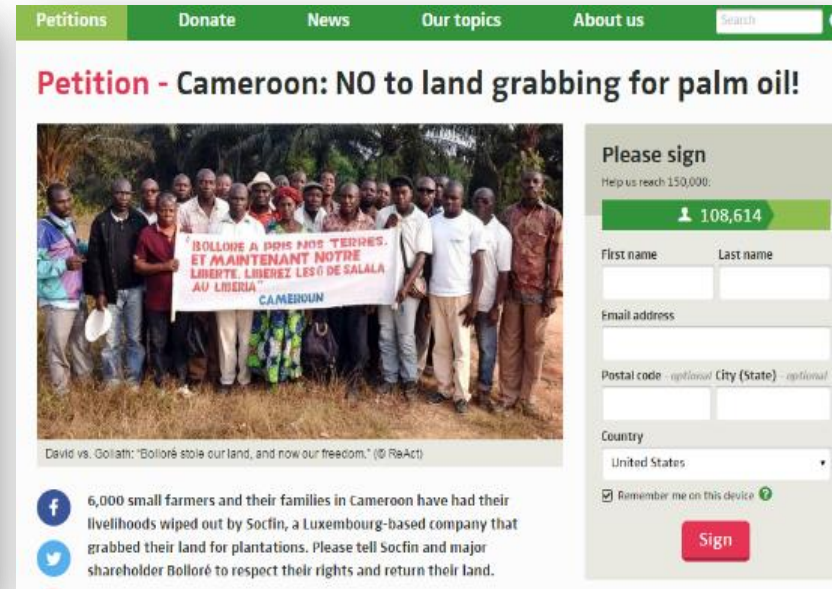
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Herakles Farms/SGSOC: The chaotic history of destructive palm oil project in Cameroon

Herakles Farms/SGSOC: The chaotic history of destructive palm oil project in Cameroon

Publication - September 6, 2016

Since 2010, Herakles Farms / SGSOC palm oil plantation in Cameroon's South-West region, multiplied misdeed towards the people living around the concession area. Greenpeace releases a report that builds on the work of several Cameroonian and International NGOs since 2010, and is a reminder of all the misdeeds of this company for the past six years (breaches of Cameroonian and international law, land-grabbing, illegal clearing and sale of timber, corruption).



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Petition - Cameroon: NO to land grabbing for palm oil!



David vs. Goliath: "Bolloré stole our land, and now our freedom." (© ReAct)

Please sign
Help us reach 150,000:
108,614

First name Last name
Email address
Postal code - optional City (State) - optional
Country
United States
 Remember me on this device

Sign

6,000 small farmers and their families in Cameroon have had their livelihoods wiped out by Socfin, a Luxembourg-based company that grabbed their land for plantations. Please tell Socfin and major shareholder Bolloré to respect their rights and return their land.

In Congo

REPORT

November 2016

LAND CONFLICTS AND SHADY FINANCES

plague DR Congo palm oil company
backed by development funds



The REDD contradiction: Deforestation and oil palm plantations in the Congo Basin



Since 2009, companies have announced new oil palm plantation projects in the Congo Basin covering a total area of 1.6 million hectares. Projects currently underway cover 500,000 hectares. A new [report](#) by Rainforest Foundation UK warns that vast areas of the Congo Basin forests are potentially threatened by the expansion of oil palm plantations.

In Nigeria

Wilmar accused of Nigerian 'land grab' for palm oil - Mongabay

<https://news.mongabay.com/2015/.../wilmar-accused-of-nigerianland-grab-for-palm-o...>

Jul 21, 2015 - Wilmar accused of Nigerian 'land grab' for palm oil ... the company acquired around 30,000 hectares of land in Nigeria's Cross River State, ...

Nigerians object to land grabs by a foreign palm oil company

<https://www.save-wildlife.org/.../429-nigerians-object-to-land-grabs-by-a-foreign-pal...>

Nigerian NGO Rainforest Resource Development Centre is challenging the legality of a plantation takeover by Wilmar International in the Nigerian state of Cross ...

Nigeria: NGOs allege human rights abuses by Wilmar International ...

<https://business-humanrights.org/.../nigeria-ngos-allege-human-rights-abuses-by-wilm...>

Business and Human Rights Resource Centre invited Wilmar International to respond ... Wilmar International Response to Nigeria palm oil land grab allegations.

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"When Wilmar finishes, we have no future left:"
New report on Nigerian palm oil land grabs [Share This](#)

Posted Jul. 8, 2015 / Posted by: Jeff Conant

The oil palm tree is native to West Africa and palm oil, in its rawest form, is a staple of the West African diet. So, while it is new to Western consumers as an ingredient in roughly half of our packaged foods and cosmetics, palm oil is nothing new to Nigerians. But what is new, and having drastic impacts in the Nigerian rain forest province of Cross River State, is the industrial-scale expansion of palm oil.

MONGABAY RAINFORESTS OCEANS ANIMALS & ENVIRONMENT FOR KIDS PHOTOGRAPHY WILDTech MORE

Wilmar accused of Nigerian 'land grab' for palm oil

21 July 2015 / Greg Norman

The agribusiness giant also faces allegations of environmental destruction as it seeks to expand its operations in Africa.

In Sierra Leone

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Completed campaign - Sierra Leone: Land grab for palmoil

The farmers want to keep and cultivate their land

27,291 supporters

End of campaign: May 22, 2014

The people of Sierra Leone are resisting a new biodiesel project. SOCFIN, a Luxembourg-based company, is planning a palmoil plantation of around

Stop trashing the rainforest for Nespresso coffee pods! →

194,190 supporters

Hands off of this forest

May10

Land Grab Update: Socfin Agricultural Company Expanding its Sierra Leone Holdings

The [Oakland Institute](#) released a [report](#) in April highlighting the attempts of a multinational corporation to expand its holdings in Sierra Leone, despite widespread opposition among the Indigenous Peoples living on the land slated for acquisition.



Eddy Kamara sits with other Salun Village inhabitants. (Photo credit: Oakland Institute)

In 2011, Socfin Agricultural Company Sierra Leone Ltd. (Socfin SL, a subsidiary of the Belgian corporation [Socfin](#)) secured 6,500 hectares (ha) of farmland for rubber and oil palm plantations in Malen chiefdom, in the south of Sierra Leone. The firm is now trying to expand its holdings by an additional 5,000 ha in the Malen or neighboring chiefdoms.

But despite high-level government support of the

How a project with good aims delivered bitter outcomes in Sierra Leone

January 8, 2016 3:19pm AEDT



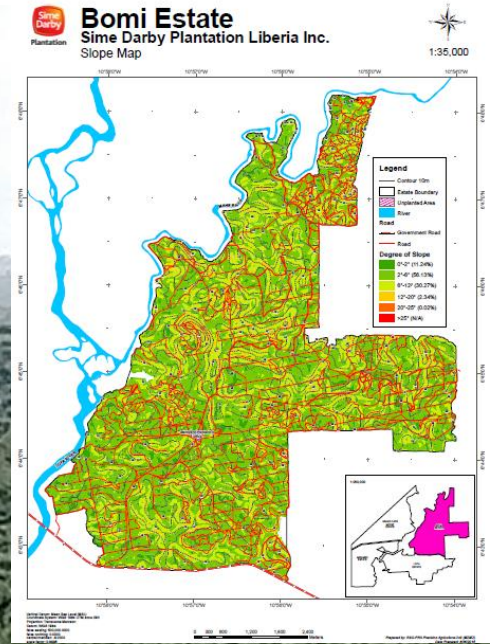
Sime Darby in Liberia

BOMI ESTATE

SIME DARBY PLANTATION (LIBERIA) INC.



Plantation

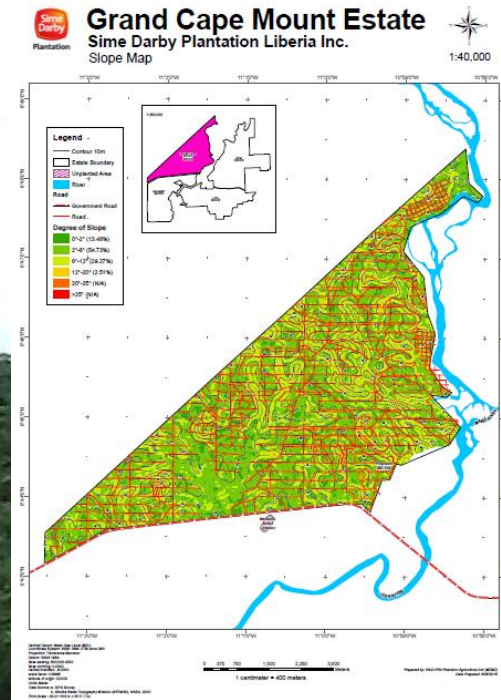


GCM ESTATE

SIME DARBY PLANTATION (LIBERIA) INC.



Plantation



Developing Sustainable Futures

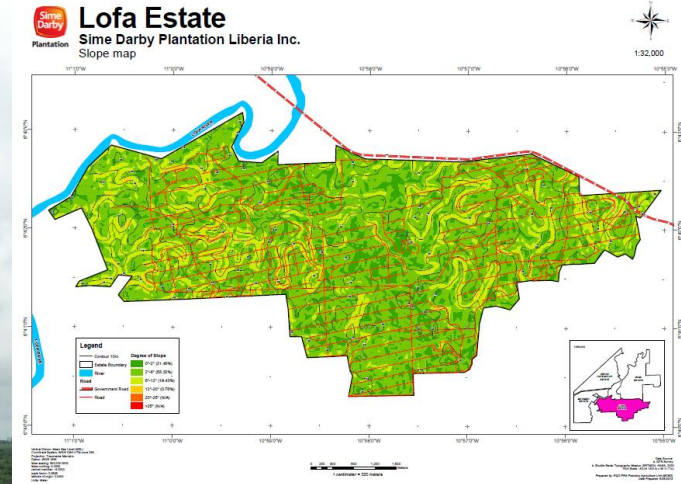
Plantation

LOFA ESTATE

SIME DARBY PLANTATION (LIBERIA) INC.



Plantation



Before & After

Turn this



Into this



Village Settlements

Before & After

Turn this



Degraded Area

Into this



Oil Palm Nursery/Plantation

Water Irrigation



We persevere...

30 tonne Mill (to be completed soon)



Plantation



Developing
Sustainable
Futures

Plantation

Thank You