

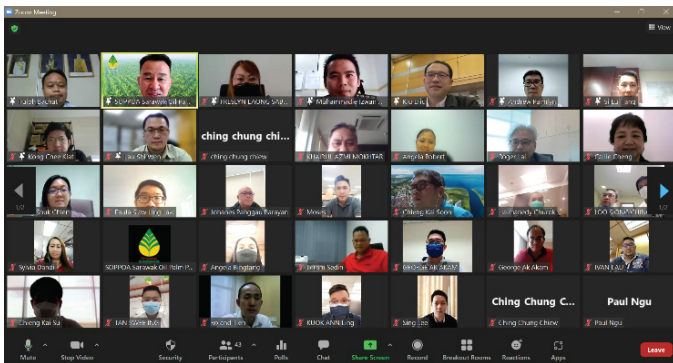


Chairman's Message



Dear SOPPOA Members,

It has been a while since SOPPOA published its last E-Newsletter. The purpose of E-Newsletter is aimed to keep members informed on issues and events happening at our Association and it is imperative for Secretariat to continue this good work. Nevertheless, this E-Newsletter is also served as a platform for members to communicate and share information and knowledge with other members within the Association. As such, SOPPOA is committed to continually improving the content of this E-Newsletter and urges members' participation and support. Thank you.



Engagement Session with Department of Labor Sarawak & Department of Immigration Sarawak on 26 October 2021

Covid-19 and movement restriction have placed a lot of operations at cross road. Especially the industry that is labor intensive like oil palm plantation.

During this period, oil palm plantations faced serious worker shortage in particularly for harvesting. New recruitment of foreign workers was not possible as a result of international border closure.

The flip flop announcements by certain ministries further confused the industry players.

In order to provide members with direct information, SOPPOA took an initiative to engage JTKNS and JINS for a dialogue session on current issues related to foreign workers.

The two and half session seemed fruitful which allowed participating members to pose questions pertaining to their operations.

At the closing remarks, the Chairman expressed the need for SOPPOA to organize more similar direct dialogue sessions for members in the near future.



Budget 2022
Sabah, Sarawak palm oil players cry foul over doubling of windfall profit levy rate



Joint Press Statement on Windfall Profit Levy

On 31 Oct, a group of seven associations under the East Malaysian Oil Palm Solidarity Group (EMOPSG) released a joint press statement to urge the federal government to reconsider raising the Windfall Profit Levy (WPL) threshold for Sarawak and Sabah to RM4,000 from RM3,500 as well as to keep the WPL rate at 1.5%.

In the statement, the planters said the 1.5% levy was implemented as the growers in Sarawak and Sabah also have to contend with a state CPO sales tax of 5% and 7.5% respectively, after a threshold of RM1,500 per ton. In addition, the cost of production in East Malaysia is about 15% to 20% higher than in Peninsular Malaysia due to higher transportation, input materials and labor.

The group also highlighted that the industry has been grappling with the shortage of labor, as foreign workers could not be recruited due to the closure of international borders during the pandemic. As a result, a higher percentage of palm fruits were left unharvested and resulted in close to RM5 billion in financial losses to the industry and government revenue.

The group also appeal to the government to take proactive steps to safeguard the oil palm industry, including active and inclusive stakeholder engagements and consultation in all policy making processes.



(FROM left) SOPPOA Treasurer Daniel Ding, SOPPOA 1st Vice Chairman Simon Wong, SOPPOA Chairman Eric Kiu, HE Ambassador of Indonesia Bapak Hermono, SALCRA General Manager Joseph Blandoi, Acting General Consulate of Indonesia Bapak Hasani Eduline and SDP Regional CEO Khairul Nizam



SOPPOA Chairman presenting a souvenir to HE Ambassador of Indonesia

SOPPOA's Exco has the privilege of being invited to attend a dinner with HE Ambassador of Indonesia in conjunction with his visit to Kuching recently on 13 October 2021.

During the meeting, HE raised his concerns about the ill treatment that his citizens received while employing in West Malaysia. He even brought along some of photos of abuses and reports to show the seriousness of the issues. He further stressed that unless Malaysian government take the initiative to discuss and warrant that future abuse cases are not occurring, the Indonesian government will not permit its citizen to seek employment in Malaysia.

However, the Indonesian Ambassador reiterated that he has yet received any report of ill treatment of its citizens by Sarawak employers.

SOPPOA Chairman ensured that Indonesian and other nationalities working in palm oil industry in Sarawak are treated well and fairly. He pledged that SOPPOA members are committed to no forced Labor and Child labor. On top of that, he suggested that there should be more engagement and collaboration between the industry, Indonesia government (represent by Consulate) and State government to further enhance the welfare of Indonesian workers in Sarawak. He took the opportunity to request Indonesian government to open its international border to allow its citizens to seek employment in Sarawak at the soonest.



(FROM left) SOPPOA CEO Felix Moh, MPOCC CEO Tn. Mohammad Hafezh Abdul Rahman, MPOCC Manager Mr. Tan Chee Yong, SOPPOA Chairman Mr. Eric Kiu and MPOCC Sr. Manager En. Mohd Hasbollah Suparyono

SOPPOA was invited to an engagement dinner by MPOCC on 18 November 2021 at Grand Margherita Hotel Kuching.

MPOCC CEO briefed that overall Sarawak oil palm industries achieved the highest rate of MSPO certification compared to other counterparts - oil palm plantation 97.5% and palm oil mill 90.7%.

He also thanked SOPPOA for commitment and participating in the process of reviewing the MS 2530:2013 series standards.

Mr. Eric ensured that SOPPOA would continue to work with MPOCC to promote sustainable management of oil palm in Sarawak. He also thanked MPOCC for all the support and expertise provided and look forward to more collaboration in the future.



BURSA MALAYSIA

Your Gateway to East Malaysia Palm Oil Prices

FEPO
East Malaysia Crude Palm Oil Futures
Traded on Bursa Malaysia

[FIND OUT MORE](#)

SOPPOA gave full support to the launching of East Malaysia Crude Palm Oil Futures

Bursa Malaysia launched a new crude palm oil (CPO) futures contract specific to East Malaysia on Monday 4th October at 9 am SG/MY time. The contract known as FEPO will offer new pricing discovery for CPO originating from the states of Sabah and Sarawak which contribute half of Malaysian CPO and have long complained that the more established FCPO benchmark contract disadvantages them since pricing is based on infrastructural factors and delivery points in Peninsular Malaysia. The pricing can be very different if the cargo originates from Port Klang in the peninsular or Lahad Datu in the East Malaysian state of Sabah. The FEPO (East Malaysian Palm Oil Futures) contract aims to provide a rebalance, allowing for a refined price discovery mechanism and options for physical delivery for in Sabah and Sarawak. FEPO is expected to trade at a premium to FCPO given the higher logistical cost than in peninsular Malaysia. According to Bursa Malaysia, the FEPO mirrors almost all of the FCPO’s current specifications, with some enhancements specific to East Malaysia offering delivery through 3 ports. They are Sandakan, Lahad Datu and Bintulu. Sandakan and Lahad Datu accounted for 10.57% and 12.37% respectively of total export volume in 2020—MPOB data showed. There was no data available for Bintulu. China makes up the main export destination for vessels plying from East Malaysia to the tune of 31% followed by India 13% in 2020.

The launch of FEPO should rectify complaints that East Malaysian palm oil is sold at a discount to FCPO while incurring higher freight costs due to the larger distance, resulting in the Sarawak Oil Palm Plantation Owners Association estimating that the 2 states lose some RM1 billion (US\$241.7 million) annually due to price differentials.

- Source from Palm Oil Analytics

SOPPOA was invited to attend a meeting chaired by YB Assistant Minister of Urban Planning, Land Administration and Environment Sarawak, Datuk Len Talif Saleh on 4 November 2021

In the meeting Dr. Lullie briefed the Minister on various accusation related to environment impact of peatland development by Washington Post. It was suggested that Sarawak should have data available to counter all bias accusation.

After the meeting, SOPPOA took the opportunity to alert the YB Assistant Minister on few issues related to palm oil mill operation in particular on the Clean Air Act imposed by DOE on EFB incinerator.

YB Assistant Minister instructed NREB to work closely with SOPPOA to come out with a formal project paper on the application of EFB incinerator to be briefed to the State government.



NREB officers led by Mr. Kenny Poon visited SOPPOA office on 16 November 2021

SOPPOA and NREB officers had a preliminary meeting to to collect more information on EFB incinerator and biogas plants prior to meeting with the NREB Controller.

NREB officers agreed that the current Clean Air Act is not applicable to EFB incinerator. However, any amendment of policy requires higher authority.

It was suggested SOPPOA to provide detail proposal for NREB at the soonest.





Webinar on Bright Opportunities for Millennials Career and Future in Palm Oil Industries on 28 October 2021



As one of the panelists, SOPPOA Chairman stressed that correct facts ought to be communicated to the millennials to encourage and change their mindset toward the oil palm industry.

“They are not fully cognizant that the industry is not just about planting trees. Palm oil is a golden crop as it is unparalleled in building benefits throughout a long value chain all over the world. And, in targeting millennials, the plantations companies have tie-ups with multiple local and foreign tertiary institutions to showcase the opportunities in the industry, develop innovation through research and provide spaces for internship”, he elaborated during the webinar organized by Council of Palm Oil Producing Countries (CPOPC).

Research Collaboration between SOPPOA, MPOGCF, UNIMAS & UPMB

Three research project proposals have been submitted to Malaysian Palm Oil Green Conservation Foundation (MPOGCF) for review.

The first proposal on study of small mammals in high conservation value (HCV) area within the oil palm plantation was submitted together by SOPPOA-UNIMAS.

The other two joint proposals between SOPPOA-UPMB were on identifying and using microbes as means of oil palm plantation conservation.



SOPPOA attended a workshop on Project Paper Preparation for SBF Business Recovery Assistance on 18 November 2021

邱冠森：價值鏈不斷提升 年輕一代應參與棕油業

（泗里街1日訊）棕油生產商理事會（CPOPC）10月28日舉辦第10屆網絡研討會，主題為“千禧一代在棕油業的職業和未來的光明機會”。採用論壇模式提出強有力的理由，深入挖掘千禧一代在考慮涉足該行業時所面臨的無形障礙。

原產業部部長拿督祖萊達受邀參與研討會并分享觀點；棕油生產商理事會執行董事丹斯里尤索夫巴西昂受為研討會開幕致詞。

研討會專為參與成員砂拉越油棕種植者協會（SOPPOA）主席邱冠森邀請千禧一代向棕油種植公司提交實習和工作申請；思特雅大學（USCI）化學工程教授、德國弗勞恩霍夫研究所馬來西亞高級顧問拿督阿末依布拉欣博士致詞千禧一代在評估職業機會時研究棕油業與其他行業的不同之處；種植者協會主席、國際種植管理研究所所長、瑪拉工藝大學（UTM）種植和農業技術學院兼職教授拿督阿馬特律明是邀請千禧一代，無論男女都不要懷著任何偏見看待棕油行業，以創造繁榮的未來。

他們也在研討會中探討棕油行業面臨的挑戰和機會，強調可持續棕油業的優勢等方面提出了建議。

棕油業不僅是植樹
邱冠森以“永遠不要以貌取人——棕油業工作的真實氛圍”，詳細闡述千禧一代如何伴隨著科技成長，并帶動科技向前發展。

他受邀參與研討會的專題討論時，詳細闡述棕油業在過去幾十年里如何通過技術，不斷提高可持續性發展。他認為這一事實必須傳達給千禧一代，以改變他們的心態，因為他們沒有完全意識到這個行業不僅是植樹。

與高等院校合作

“從任何意義上說，棕油業是一種黃金作物，因為它在全球各地的價值鏈中創造的利益無與倫比。為了瞄准千禧一代，種植公司與多本地和外國的高等院校合作，展示該行業的機會，通過研究發展創新，并提供實習空間。”

阿末依布拉欣：用人工智能

阿末依布拉欣以學術界的角度，發表“未來只會變得更好——成為棕油業變革的推動者”，并強調一個重點。

他強調，世界需要什么，未來需要什么？為不斷增長的人口提供糧食保障。在棕油方面，世界上就有一種幾乎無可匹敵的用途。

在他的化學工程領域，阿末依布拉欣通過設計，選擇性地放大了棕油業行業，提倡人工智能、無人機技術和機器人在整個過程中的應用不斷增長。這讓他的學生、千禧一代和一般人感到驚訝。

阿末依布拉欣說，相關的利益相關者應該更加努力，通過精心策劃，讓千禧一代深刻認識到該行業的創新性。千禧一代會接觸他們有亲和力的東西，技術無疑會與他們產生共鳴的“X”因素。

砂拉越油棕種植者協會主席邱冠森。



Palm Oil in the Cancer Spotlight

Kalyana Sundram / The Edge Malaysia
November 17, 2021 14:50 pm +08

Nature, a high impact, prestigious peer reviewed science journal, published a landmark study on Nov 10 that could help trigger advanced developments in cancer management. The joint publication was from Spanish and US biomedical researchers, in a mice animal model.

For the understanding of our lay readers, the study described how cancer metastasis (i.e. when cancer cells break away from the main tumour and start spreading to other organs and sites), is facilitated by consumption of certain dietary fatty acids, particularly palmitic acid, that is part of our daily diets.

Media hounds were quick to pick this up, particularly since they saw the fall guy from the study, a low hanging fruit, ripe and ready for a thorough public bashing. Palm oil was used as a primary source of palmitic acid and by extrapolation and simplification of the study, headlines screamed that palm oil with its higher palmitic acid content was a cancer promoter.

They then even moved to offer veiled opinions about palm oil's lack of safety and efficacy as a dietary ingredient in the human food chain. Called to question was also the occurrence of glycidol esters in palm oil reported previously by various media.

I suggest a step back to assimilate the facts at hand. As scientists we have long realised that fat and fatty acid uptake from any source and their sometimes accompanying altered metabolism, can be hallmarks of cancer metastasis. Yet the depth of understanding, even today, is still so shallow that a health call on fats and fatty acids associating them with cancer has so far not been warranted.

Nevertheless, it has long been known that high fat diets can promote cancer and hence the nutritional advice for moderate fat consumption always. The current study is exciting since it helps narrow the underlying molecular and genetic markers and mechanisms that are triggered by fatty acids and which possibly make some, if not all of these fatty acids, essential components or even triggers for the progression of certain types of cancer.

Let us also be clear that dietary fats and fatty acids, even in this study, were themselves not the initiators of cancer. Nutritional history, traced through decades of scientific publications will bear evidence to this fact. For example in the 1980s when interest was very high on diet and cancer, research on dietary fats was a hot topic.

Several authoritative publications narrowed cancer progression in rat models to the polyunsaturated fatty acid, linoleic acid, found in common seed oils such as corn, soya, sunflower and rapeseed.

The evidence against linoleic acid in rats induced cancer by administration of chemical carcinogens, was actually overwhelming. These studies yielded evidence that dietary sources of linoleic acid need to be managed in order to manage progression of certain types of cancer. This was despite its role as an essential fatty acid in humans and its requirement for a variety of other critically important metabolic functions.

Curiously at this stage, as a young researcher I got into this fray and tested various palm oil fractions for their carcinogenic effects. The key was the fact that palm oil was low in its linoleic acid content and when tested in such a rat cancer model, palm oil proved to be non-cancer promoting. Actually significantly less carcinogenic than the comparative corn and soya oils tested. The study was published in Cancer Research, 1989 (Sundram K. et al.).

Researchers also found that the vitamin E tocotrienols and carotenes in palm oil displayed anti-cancer properties in a wide variety of cell cultures and animal model studies. These findings triggered a debate to call palm oil as anti-cancer but I personally opposed this label and rightly so.

For me and other similar learned researchers, there was really no such thing as a pro-cancer or anticancer fat. Even to this date, this point of view prevails and holds true. Often we are advised that we are what we eat. Diet and various dietary components have a long and coloured history and fits with our preponderance to manage cancer incidence and mortality.

Another dietary fat type that has been in the spotlight for its association with cancer is animal fat. Again studies can be tracked associating animal fat consumption with colorectal cancer incidence and mortality. In this case animal studies were followed through with human epidemiological observations. The association seemed strong yet no ban on animal fats as part of human nutritional needs is apparent.

There is also relatively strong evidence that eating red and processed meat causes certain types of cancer, particularly colorectal cancer. This association appears even stronger for processed meat which has been preserved by smoking, curing, salting or via chemical preservatives such as nitrates and nitrites.

This essentially means you need to avoid ham, bacon, frankfurters, sausages and even burgers. But once again we have not seen universal health exclusion of these products.



Bottom line is that if you are fetish about food and cancer, you are not going to run too far from the current practices of the global processed food chain.

As science unravels the mystery behind each food component we consume, be prepared for additional shock waves. For even the simple practice of toasting a slice of bread and charring its surface has enough evidence to suggest you are swallowing a pro-cancer trigger.

Circling back to the current controversy about palm oil and palmitic acid, let us not forget that palmitic acid is present in all oils and fats and foods that have a lipid component. It is the most abundant saturated fatty acid in nature and is similarly reflected throughout the human body.

In your body fat deposits or adipose fat, it is nearly 21-25% palmitic acid. Even the most claimed healthy oil or fat will have its share of palmitic acid. So when the media swings into its frenzy focusing on palm oil and forgetting all other sources of the same fatty acid, readers are being served only half-baked information.

In reality palmitic acid has an important role in human development and metabolism. At birth, the young infant is nourished with breast milk that is rich in this fatty acid. It further plays an active and desired role in various metabolic functions in humans that are fundamental to the very existence of life as we know it.

But the current findings potentially show what could happen in an environment that is oversupplied by any of these regular fatty acids including palmitic acid. In the mice study, prometastatic outcomes were observed with all the fats and fatty acids tested but palmitic was more potent in impacting several key molecular and genetic pathways crucial for metastasis to proceed. The researchers also clearly identified that this fatty acid along with all other fatty acids were not responsible for initiation of cancer.

So what dietary counselling can be offered to those facing cancer. Without doubt controlled dietary regimes help and it has long been known that caloric restriction is advocated. This will mean overall fat reduction and possibly even keeping an eye on the quality of fat consumed. Will this mean reduction in your exposure to palmitic acid? The mice study appears to point in that direction, but will this be successfully reproduced in humans?

We need to watch for the next phase of these studies. Often observations in animals and especially those from cell culture studies have been hard to have meaningful replications in humans. So for me it was noteworthy learning that the investigators have been offered private funding of almost Euros 30 million to carry out the next phase of clinical trials to replicate the observations from the current mouse model.

Until then, any advocacy to throw out any fat is not yet warranted. I am sure that various nutritional experts will seize the opportunity and we could see the evolution of tailor made dietary regimes that propose modified dietary recommendations to slow the prometastatic effects of fats and fatty acids. These will however remain unproven until science deciphers the underlying secrets and we hope that these will thereafter create crucial solutions for cancer prevention and management.

Meanwhile, a lesson that the palm oil industry needs to learn. Palm oil is highly targeted and vulnerable. For some time now the industry's kingpins have sat on their laurels and have not been investing into rigorous science that could help negate the concerns of the consumers.

Our palm oil industry stakeholders, enriched by the commodity, need to come clean and fork out part of their lucrative profits for sustained research even if these have no possibility of monetary returns. For example I did not see any one from the industry jumping in to fund research that could help unearth relevance of these current findings, even if they looked negative for palm on the surface.

Hopefully we can look forward towards better and more meaningful outcomes especially when palm oil is here to stay as part of the mainstream food supply chain for the global masses.

Datuk Dr. Kalyana Sundram, now retired, has 40 years of experiences over a large spectrum of oils and fats and particularly in palm oil related research and professional activities.