

E-NEWSLETTER

SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION



Chairman's Message

It is a great pleasure that SOPPOA has come up with another issue of e-Newsletter.

I believe that this newsletter will serve as an update on activities, achievements and progress made during the stipulated period can be viewed.

We at SOPPOA are committed to creating an ambience for providing service, development and advancement in our members. We have been regularly organizing technical meetings and events which are always very well participated by the members. Apart from that, we also active in establishing new relationship and enhancing exisiting rapport with relevant governmental ministries and departments to benefit the members in dealing with policy matters.

In closing, I wish everyone good health and happiness.

Happy reading



Courtesy call to Sarawak Chief Minister Datuk Patinggi Tan Sri (Dr) Abang Johari Tun Openg led by SOPPOA Chairman Eric Kiu Kwong Seng at Wisma Bapa Malaysia on 8 Feb 22.

Also present during the visit were Deputy Chief Minister Datuk Amar Douglas Uggah Embas, State Secretary Datuk Jaul Samion, Assistant Minister Datuk Gerawat Gala, Sarawak Immigration Director Datuk Ken Leben and representatives from SOPPOA were 1st Vice Chairman Simon Wong, Council Members representatives Edwin Ha, Alexis Lawrence Marcel Wan Ullok, Dato' Jin Kee Mou and Dr. Felix Moh.

At the meeting the Chief Minister acknowledged that not only palm oil plantations are short of workers, but other sectors as well. He informed that despite the Sarawak government announced to allow Indonesian workers with valid documents to enter Sarawak in March 2021, unfortunately the closure of international borders have crippled the plan.

The Chief Minister also admitted that the Indonesian government is not keen on sending its citizen to work in Malaysia as there are plenty of work opportunity in their home country.



SOPPOA Chairman has requested the State to consider approving 50,000 Bangladeshi workers for oil palm plantations for temporary measure. He shared that during his meeting with HE Indonesian Ambassador in October 2021, the latter has expressed regret on the ill treatment of his citizens by some of West Malaysian employers. On this note, SOPPOA Chairman has informed the HE Indonesian Ambassador that workers' welfare has always been priority to SOPPOA members.

SOPPOA Chairman reiterated that while the industry is not against paying taxes to Sarawak but recent increased of Windfall Profit Levy (WPL) was not fair to Sarawak. In 2020, Sarawak contributed RM600 mil in WPL and RM900 mil in 2021. He suggested that State should

request more funds for the benefit of the local industry in areas like R&D and skill development which Sarawak oil palm is lacking.

Sarawak government acknowledged the importance of labor workforce to the State's economy. Recently concluded State election has witnessed a new establishment of the Department of Labor, Immigration and Project Monitoring (ILMU) which is overseen by YB Datuk Gerawat Gala.

The purpose of this Townhall was to get feedback, views and suggestion from industry players related to non-resident employment issues and needs in Sarawak. The input that will be obtained will be used as a guide for proposed improvements to existing policies and work processes that are more comprehensive and smooth to meet the needs of each stakeholders.

Photo taken at the Sesi Townhall Bersama Pihak Industri Mengenai Isu-Isu Mengenai Pengajian Ekspatriat dan Pekerja Bukan Pemastautin di Sarawak.

(From left) SOPPOA CEO Dr. Felix Moh, Director of Sarawak Labor Department Mr. Jack Marudu, SHEDA Secretary Ms. Angie Kueh & Ministry of Public Health, Housing Local Government Permanent Secretary Datu Antonio Kahti Galis on 12 February 2022.



In this Townhall, SOPPOA took the opportunity to post 2 questions to the organizer for immediate attention:

1

The present processing for foreign worker recruitment is tedious and time-consuming. A single application may take up to 6-8 months. Recent meeting with the Chief Minister has agreed that it can be reduced by employing ICT.

2

Original intention of Recalibration program by Immigration Department is not practical. It was proposed to revise the Recalibration program to legalize all undocumented migrant workers similar to that of Covid vaccination program.

In response to the 2 questions posed by SOPPOA at the Townhall meeting earlier, YB Datuk Gerawat informed that he has the intention of seconding labor and immigration officers who are in-charge of data entry for foreign worker recruitment processes to be stationed in his department. This way, all personnel that handle recruitment process can work seamlessly and cut red tape to improve efficiency.

For having Recalibration program to legalize all undocumented migrant workers present in Sarawak need further thought and consideration as this may involve national security.

He reiterated that Sarawak government pity the industry of not having enough workforce to fully maximize their operation capacities. Unfortunately, the closing of borders prohibits government to proceed further.



Dinner engagement with the Assistant Minister for Department of Labor, Immigration and Project Monitoring on 23 February 22 arranged by Sarawak Business Federation.

(From left) Felix Moh, SOPPOA; Nobel Pang, SCCI; Datuk Gerawat Gala; Datuk Abg Karim, SBF; Jonathan Chai, ACCIS, Angie Kueh, SHEDA, Anne Kung, MEF & Gracie Geikie, SCCI.



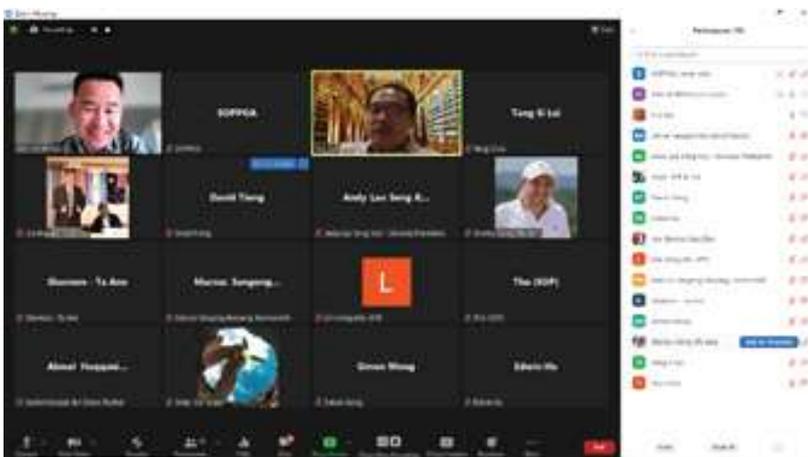
In his opening remarks, Chairman stressed that oil palm operation was seriously affected by Covid-19 pandemic for the past 2 years. The plantation sector faced serious shortage of labor to harvest palm fruits and reported lost of nearly 30% in crop production last year as a result. A lower productivity turned out to be a blessing in disguise for Malaysian palm oil industry in a way as it pushed the crude palm oil price skyrocketing since the last quarter of last year. With such an opportunity, majority of plantation companies were able to cushion their losses derived from disruption of production.

He however cautioned the members that the road ahead remains challenging. SOPPOA therefore has to gear up and strengthen its position to provide support to its members in this demanding business environment.

In order to serve members more effectively and efficiently, SOPPOA would focus on 3 keys functions that are aligned to its mission and objectives namely service, development and advancement.



52ND COUNCIL MEETING HELD ON 1 MARCH 2022



14TH ANNUAL GENERAL MEETING HELD ON 28 MARCH 2022

1 Service is defined as timely attention to issues raised by members, and should whenever possible follow the problem through to its resolution. In this respect, SOPPOA has lobbied hard with government to provide mass Covid-19 vaccination to all plantation workers, ensuring continuous operation, and tackling issues related to workers' permit during the pandemic. In view of increasing in cost of production, SOPPOA also resubmitted an appeal for a review of threshold price for levying the crude palm oil sales tax to the State government during the courtesy call to Premier in Feb 22.

2 Development is to work with members closely to identify the necessary skills and resources to support member's career goals and organization's business needs. SOPPOA has organized and in the process of organizing various virtual education programs or webinar for knowledge sharing and information updating on current issues of interest covering definition of forced labor, discussion on why millennials not joining plantation, 2022 business tax, and introduction to environment, social and government for palm oil industry. On top of that, SOPPOA, in collaboration with local learning institutes, also organized industrial training and advanced learning programs that offer up-skilling and re-skilling courses to its members.

3 For advancement, SOPPOA is ready to think outside the box by exploring ideas that are beyond the nature of current business. In this regard, SOPPOA, in collaboration with local research institutes and universities, has embarked on several R&D projects on conservation and biodiversity in oil palm plantation. Apart from that, there is need for SOPPOA to embrace digital economy by emphasizing the utilization of technological know-how in the operation of oil palm plantation to increase efficiency, productivity and to boost sustainability credential.

In his closing remarks, Eric Kiu took the opportunity to thank all the members for their supports and urged that all industry players to work together to further advance, promote and safeguard the future of Sarawak palm oil industry.

PRESS RELEASE ON 9 FEBRUARY 2022

KUCHING: Sarawak Oil Palm Plantation Owners Association (SOPPOA) has joined the growing chorus of opposition to the federal government's proposal to raise the minimum wage to RM1,500 a month.

In making its stance known, it felt the federal Human Resource Ministry should have a more holistic strategy in tackling the wage issue instead of resorting to adjusting minimum wages every now and then.

"This is because any disruption in business operations would have adverse effects on the economy especially in this uncertain situation," said SOPPOA chief executive officer Dr. Felix Moh Mee Ho in a statement on Wednesday.

Illustrating, he pointed to the cost of doing business having increased dramatically recently due to a disruption of the supply chain and high raw material costs.

Piecemeal wage hikes will have adverse effect, warn planters

"For example, the price of fertilisers and chemicals used in the oil palm plantation has doubled compared to last year.

"An additional increase of 25 per cent of wages is akin to an extra overhead which is irreversible when the price of the commodity comes down."

He added that the cost of doing business in Sarawak was about 20 to 30 per cent higher than West Malaysia due to logistical issues.

In this respect he said if a mini-mum wage hike were to be implemented uniformly across

the country, it would be more detrimental to the business community in the state.

"SOPPOA is not against higher wages but opines that the earning of additional wages should be linked to productivity.

"Oil palm plantations, for example, practice the 'piece rate system' whereby worker pay is not based on how many hours they work, but rather on number of tasks they completed.

"This system is proven as it not only improves labour productivity but also higher earnings," he said.



SOPPOA：對砂商界不利 反對最低薪調至1500

(民丹我9日訊) 砂拉越油棕種植業者協會 (SOPPOA) 支持各行各業的呼聲，反對人力資源部宣布將最低薪金提高至每月1500令吉的計劃。

該協會首席執行員毛維浩今日發文告指出，人力資源部長應該注意，上一次從每月1000令吉提高到1200令吉是2020年2月份。

該協會認為，由於供應鏈中斷和原材料成本高昂，最近開展業務的成本急劇增加。例如，油棕種植園所用化肥和農

藥品的價格比去年翻了一番。額外增加25%的工資類似於額外的管理費用，這在商品價格下跌時是不可逆轉的。

"由於物流問題，在砂拉越做生意的成本比西馬高出約20至30%。若計劃中的提高最低薪金在全國範圍內統一實施，對砂拉越的商界將更加不利。"

該協會不反對提高最低薪金，但認為獲得額外工資應與生產力掛鈎。例如，油棕種植園實行"計件制 (piece rate

system)"，工人的工資不是基於他們工作的小時數，而是基於他們完成的任務數量。事實證明，"計件制"不僅可以提高勞動生產率，還可以提高收入。

"也有人認為，人力資源部應該有更全面的策略來解決工資問題，而不是時不時調整最低薪金。這是因為業務運營的任何中斷都會對經濟產生不利影響，尤其是在這種不確定的情況下。"

砂拉越油棕種植業者協會首席執行員毛維浩：人力資源部應該有更全面的策略來解決工資問題，而不是時不時調整最低薪金。

PRESS RELEASE 26 FEBRUARY 2022

▶砂拉越油棕种植业者协会主席邱冠森（左五）从砂拉越技能发展中心副执行董事莫哈末依沙手中接过纪念品；左四为砂拉越油棕种植业者协会首席执行官毛维浩博士。

邱冠森：確保產品健康安全 GAP適用農場生產

（民丹莪25日讯）砂拉越油棕种植业者协会（SOPPOA）主席邱冠森指出，良好农业规范（GAP）为该会在管理油棕园业务时支援和采纳的方式之一。

“根据联合国粮食及农业组织（FAO）的定义，GAP被定义为适用于农场生产和生产后过程的一系列原则，从而产生安全和健康的食品和非食品农产品，同时考虑到经济、社会和环境的可持续性。简而言之，GAP是个农场生产者需要认真遵循的框架，以确保产品的健康和优质。”

油棕园3工作类别

“有许多研究表明，提高工作知识是实现GAP的基础。例如正规教育使工人的思想获取知识，非正规教育为他们提供实践培训和更好的管理方法，而非正式教育使他们跟上不断变化的创新和想法，让工人能够分享所获得的经验。”

邱冠森昨日拜访砂拉越技能发展中心（Sarawak Skills）交流及探讨该会培训课程时说，基本上，油棕种植园有3个工作类别，即园间工人、工作人员和管理人员。园间工人通常是参与收获油棕果实和进行保养工作的人；工作人员分为现场工作人员，主要进行监督工作，以确保最佳运营和生产，而办公室工作人员则参与行政工作；高管是在其指定区域内监督整个营运的人。

“值得注意的是，在每个工作类别中，都有不同的工作活动需要不同的技能组合。如采割机掌握采收油棕果实，而具有喷洒杂草经验的园间维护工人则不适合收割。换句话说，一旦工人在油棕种植园的特定工作活动中发展技能，就很难交换工作范围。这与公众认为油棕种植园不需要专业或熟练工人的看法相矛盾。”

持续培训提升技能

邱冠森称，由于专业领域多，为

员工提供培训计划是油棕种植园一大挑战。最重要是繁忙的员工日程、地理位置分散的劳动力、不同的学习习惯、缺乏参与度和有限的培训预算，往往会阻碍培训的良好效果。

“尽管面临这些挑战，SOPPOA仍致力为成员提供持续的培训平台。一种方法是与包括学习中心和研究所在内的当地培训机构合作，为不同级别的工作类别提供与油棕管理相关的各种课程。但这些课程需要仔细检查，以满足行业的即时需求。”

他相信，从长远来看，持续的培训和技能提升计划将使会员和员工受益。同时，教育和培训只是SOPPOA为其成员提供服务的一部分。

该会呼吁油棕种植公司加入SOPPOA成为会员，共同发展和改善该行业。有兴趣的申请者可以通过电子邮件与SOPPOA联系，即 secretariat@soppoa.org.my。



Soppoa committed to enhancing members' skills in oil palm plantation management

KUCHING: The Sarawak Oil Palm Plantation Owners Association (Soppoa) is committed to providing continuous training to its members to enhance the management skills across various job category levels.

According to association chairman Eric Kiu, one approach is through partnership with local training providers, such as Sarawak Skills, in running courses and upskilling programmes.

He also pointed out that such courses must be carefully examined for them to be relevant to the real-time needs of the industry.

"Soppoa is confident that having continuous training and upskilling programmes would benefit the members and employees (in the oil palm sector) in the long run.

"Education and training are just a fraction of the services provided by Soppoa to its members.



Kiu (centre) accepts a memento from Mohamad Isham, witnessed by Soppoa chief executive officer Dr Felix Moh (fourth left) and the management team of Sarawak Skills.

"In this regard, oil palm plantation companies are urged to join Soppos to collectively develop and improve this industry," he said in a statement released in conjunction with the visit by a delegation from the

association to Sarawak Skills here on Thursday.

The meeting, where Sarawak Skills was represented by its deputy executive director Mohamad Isham Fauzi, discussed the proposal of programmes that

the institute would be able to provide to Soppoa members.

Adding on, Kiu acknowledged that within each job category

in the oil palm plantation sector – be it in on-the-ground field work, supervisory and

administration, as well as executive – had its own operations that would require different skillsets.

"For example, a harvester is already skilled in harvesting the oil palm fruits, while a

field maintenance worker is experienced in weed-spraying, among other tasks – the latter is not suitable to be assigned to harvesting.

"In other words, it is not easy and practical to swap tasks once a worker has developed the skills in a particular section of the oil palm plantation operations. This contradicts the public perception of an oil palm plantation not needing skilled or specialised workers," he elaborated.

Kiu said with so many areas of specialties, providing training to employees had always been a challenge for plantation operators.

"On top of that, hectic schedules, geographically-dispersed workforce, different learning habits, lack of engagement and limited budget often hinder the good outcome of training.

"Nonetheless, Soppoa remains committed in providing ongoing training to members," he added.



PRESS RELEASE 10 MARCH 2022



Oil palm industry welcomes move

KUCHING: The Sarawak Oil Palm Plantation Owners Association (SOPPOA) welcomes Putrajaya's decision to reopen Malaysia's borders when the nation transitions to the endemic phase starting April 1.

SOPPOA chief executive officer Dr Felix Moh Mee Ho said the restriction of movement and closure of borders since the onset of COVID-19 had brought untold inconvenience to ordinary folks and business communities alike. He admitted that the moves were meant to curb the disease from spreading and killing more lives.

"Undeniably the Malaysian government has done a great job in this respect. The mass vaccination programmes by the Sarawak government to cover everyone residing in the state, including undocumented migrant workers, should be praised," he said in a press statement yesterday.

He added Malaysians should feel a sense of relief in response to the announcement by Prime Minister Datuk Seri Ismail Sabri Yaakob on the border reopening.

"It indicates that those unpleasant and undesirable events caused by the pandemic will be behind us and we are looking forward to normalcy and economic recovery," he said.

However, Moh said a lot of preparations must be in place before the people's lives could return to normal.

"It is easier announced than done. Government officials must ensure that all are put into perspective before April 1.

"There are many legislations, rules and regulations that ought to be firmed up to avoid unnecessary U-turns just like in the past that had so much impact on everyone, merely because certain decisions were not made collectively," he said.

He said besides other industries, the oil palm industry also suffered great losses during the earlier period of the

pandemic.

"Luckily, the good price of crude palm oil since mid-2021 cushioned the impact caused by the lack of workers to harvest the fruits.

"Despite the crude palm oil price reaching an all-time high and the expectation that it will remain optimistic till year end, it should not be forgotten that as a commodity product, the price is subject to fluctuation when any external factor is not favourable," he said.

Meanwhile, although the border opening announcement was good news, Moh said SOPPOA was sad to note that there was still no clear direction on how to resolve the worker shortage issue.

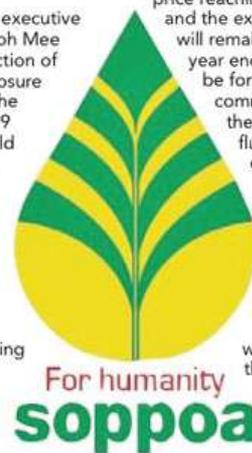
"Several federal ministers have made several announcements about bringing in migrant workers to help the industry since October 2021. Similarly, they claimed that MOUs were signed with various countries. But none has materialised as of now.

"The palm oil industry is desperate for migrant workers as there is no other alternative to replace manual harvesting," he said.

Moh said to smoothen the business processes in response to the opening of borders, government departments should relook and revamp many of their operational procedures.

"SOPPOA humbly opines that the prime minister should also consider making available the roadmap for every industry in response to the announcement made so that it gives a sense of direction of what to look forward to.

"We also wish to remind that if the government does not bring in foreign workers on time, the opening of borders may bring repercussions to the industry in terms of worsening shortage of workers as the majority of the workers are ready to return home after being stranded in this country for two years," he said.



PALM OIL MILL VISIT WITH LECTURERS FROM CURTIN UNIVERSITY MALAYSIA

Palm oil mill processes oil palm fruits into crude palm oil (CPO) and palm kernels as primary products and biomass as by-products.

When the fresh fruit bunches (FFB) first arrive at the palm oil mill they will be graded for quality at the ramp platform. Off spec FFB are rejected and set aside whereas good quality ones are transferred into the steam chamber for cooking process called sterilization where the palm fruits are loosened from the stalks at the same time deactivates the free fatty acid-producing enzymes. The fruit bunches then undergo threshing that separates the fruitlets from the bunch in a rotating drum. The loose fruits are then conveyed to digester to make the pulp soft before they are sent to continuous screw press. After this process, oil palm fruits are divided into 2 parts: press liquor (the mixture of oil, water and solid impurities) and the press cake (fiber and nut). The press liquor then flows into settling tank where oil and sludge are separated via sedimentation. The top phase which makes up of oil is pumped into a centrifuge for final clarification follows by vacuum drying before the CPO is ready for storage. In general, 1 mt of FFB produces 0.2 mt CPO.



In kernel recovery process, the nuts contained in the press cake are separated from the fiber in a depericarper. They are then dried and cracked in centrifugal cracker to release the kernels. The kernels are normally separated from the shells using a combination of winnowing and hydrocyclones. The kernels are then dried in silos to a moisture content of about 7 percent before packing. About 0.05 mt of palm kernels are produced with every mt of FFB.

In Sarawak, presently there are 84 palm oil mills in operation. While almost all recent palm oil mills are built to process FFB ranging from 45 to 120 mt per hour, few older palm oil mills with lesser throughput capacity are still in operation.



Sarawak produced 3,907,820 mt of CPO in 2020 which was 3.68% lower than a year before due to acute labor shortage faced by oil palm plantation companies that led to lower FFB production.

The three main by-products from the process of extracting oil from FFB are palm press fiber (PPF), palm kernel shell (PKS), and empty fruit bunches (EFB).

PPF is residue obtain after pressing the palm fruits for oil extraction and accounts to 10-15% of the FFB. It may contain important amounts of residual palm oil making it a good combustible material and predominantly use as fuel for palm oil mill, where it is burned to produce steam for generating electricity. This saves large amounts of diesel fuel and is a convenient method of disposal.

PKS is the shell fractions left after the nuts have been extracted from crushing operation. PKS has long been used as a solid fuel in palm oil mill steam boilers for electricity. Since most of palm oil mills in Malaysia are self-sufficient in terms of energy, Malaysian Palm Oil Board (MPOB) reported that almost 1 mil mt of PKS was exported to the world whereby Japan is the major market with the share of 99.6% in 2020.

EFB are the remains of the FFB after the fruits has been removed for oil processing. It is one of the most significant by-products in terms of quantity - every mt of FFB produces approximately 0.22 mt of EFB. Traditionally EFB is discarded directly in the field for mulching purpose. However, over abundance of EFB has created enormous challenges to the millers to find a cost effective way of disposing. The transformation of EFB through burning or composting process into organic fertilizer has been found to be the most suitable way to reduce this raw material before returning it to field.



(From left) SOPPOA CEO Dr. Felix Moh Mee Ho, Niah Palm Oil Mill GM Mr. Jeffrey Tiong Ik Peng, Curtin University Malaysia Lectures (Dr. Lim Chye Ing, Dr. Law Ming Chiat, and Dr. Yam Ke San) posted for a group photo on fresh fruit bunches receiving station during a visit to a local palm oil mill at Niah, Miri on 4 March 2022.

Fertilizer accounts to approximately 30% to 35% of total cost of production for oil palm producers. This year the price of the two fertilizers for oil palm, nitrogen and phosphorus, have increased more than 100% over the last six months driven by supply disruption, strong demand and higher input costs. Malaysia is highly dependence on imported fertilizers. Thus, any constraint of fertilizer will directly impact on yield recovery in the following years.

The organic fertilizer derives from EFB treatment contains fair amount of nutrients that proven to perk up soil fertility and improve oil palm tree growth. Despite techniques available for the production of this organic fertilizer has been extensively experimented and commercialized, there are still huge room for improvement in terms of efficiency, consistency and most importantly environmental aspects.

The total planted area with oil palm in Sarawak has reached 1.61 mil ha in 2021. The amount of fertilizer requires per ha is ranging from 1.3 mt to 1.7 mt per annum. If there is an opportunity to substitute 5% to 15% of the existing dosage of fertilizer with local palm-based organic fertilizer derived from EFB, there will be a significant savings in terms of cash outflow as well as minimize environmental issues cause by EFB heap.

Sarawak Oil Palm Plantation Association (SOPPOA) is actively promoting the adoption and implementation of sustainable and good agricultural practice. Integrating circular economy into the production of palm oil is an effective solution to optimize the usage of by-products and to reduce, reuse and recycle by-products that commonly underutilized in the linear economy.

In this respect, SOPPOA is initiating a research project with Curtin University Malaysia aims to find solution and improve current processes in producing organic fertilizer from EFB that also comply with laws, rules and regulations relevant to the operation. This project will be a tripartite collaboration between industry, learning institute and State government.

33rd Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2022), Shangri-la Hotel Kuala Lumpur from Mar 7-9th, 2022

YB Datuk Hajah Zuraida Kamaruddin,
Minister of Plantation Industries & Commodities Malaysia

- Crude palm oil price may normalize around RM4000 (\$956.9)/t in the 2H22, and will stay above the pre-pandemic level of RM2,500 to RM3,000/t
- Going ahead the government plans to boost exports to traditional palm oil buying countries including Bangladesh and remains committed to publish the revised National Commodity Policy
- Malaysia is considering a targeted palm oil subsidy system (which is expected to be finalized by year-end) to help keep a lid on food inflation, while aiming to boost sales volume of the commodity and gain greater market share to offset an expected drop in prices in the 2H22. Currently provides annual subsidy to 720,000 mt of palm oil, which are processed into cooking oil
- Malaysia expects a new batch of foreign workers to arrive in May and June for its palm plantations, although delay of months from an original plan to add more labor early this year
- Production will increase from 18.1 mil/t in 2021 to 20 mil/t in 2022

Datuk Dr Ahmad Parveez Ghulam Kadir,
Director-general of Malaysian Palm Oil Board (MPOB)

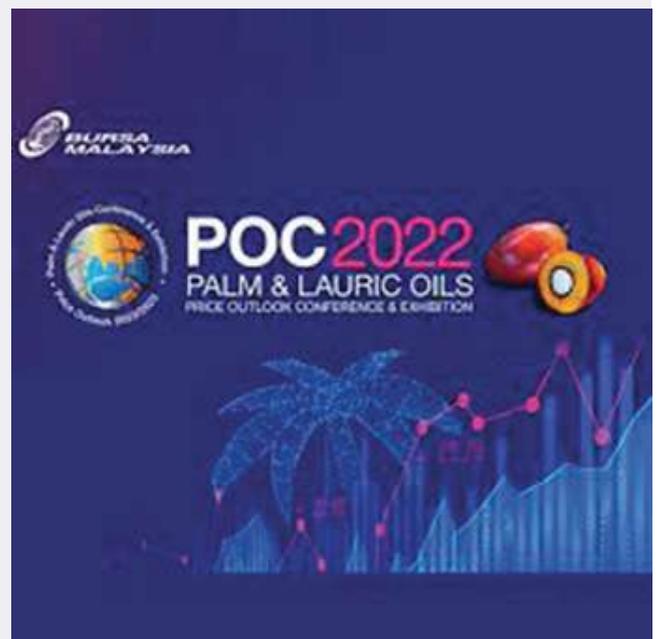
- CPO price has peaked and is expected to decline further in the near term barring further crisis
- Believe the price of CPO will continue to trade above RM5,000/t level for the 1H22 amid a shortage of edible oil supply – sunflower oil – due to the Russia-Ukraine war
- There is no clear prediction on how long the conflict will last, palm oil will continue to be in demand despite its current high price. The most important is to ensure that the country have enough supply, and it is not limited to CPO but also RBD palm

Tan Sri Datuk Dr Yusof Bin Basiron,
Executive Director, Council of Palm Oil Producing Countries

- Oil palm is still the most sustainable crop to plant to meet the future demand for oils and fats to feed the growing world population
- Palm oil production is far more environmentally friendly than other competing oils. It starts with the high yield of palm oil making it less land intensive compared to other oils
- Anti-palm oil campaign for 4 decades did not damage the palm oil industry

Dato' Lee Yeow Chor, DSAP,
Chairman of Malaysian Palm Oil Association &
Group Managing Director of IOI Corporation Bhd

- High price which far exceeds its historical high and looks set to continue further
- Slow down expansion of new oil palm plantings, labor immobility and extreme weather patterns worsened by climate change supported prices
- Unfavorable factors: attacks from NGOs resulting in negative consumers sentiments toward palm oil, regulatory actions from governmental bodies mostly in EU and U.S., supply chain restrictions giving rise to concerns about food security and over-reliance on unskilled and semi-skilled manual labor





- Four overarching strategies for the palm oil industry: intensify mechanization and automation efforts in smallholdings, collaboration with competing seed oil producers, regionalization of commodity-based palm oil trade (cooking oil) and develop special applications and purpose for smaller volume of palm oil

Mr Harald Sauthoff
Director & Board Member,
UIE Plc

- Price forecast for palm oil futures average 5140 MR/MT, coconut oil cif RDM average \$2050 and palm kernel oil cif RDM at \$2150

Norman Ellard
IP Specialities Asia

- A very bullish estimate based on the world having many issues on supply, CPO \$1400-1700/ mt PKO \$1700-2000 /MT



Mr U.R. Unnithan,
Co-Founder & CEO, DIBIZ Group,
Malaysian Biodiesel Association President.

- Malaysia's biodiesel exports are expected to fall to 250,000 tonnes this year while production is expected to climb to 1.2 million tonnes, compares with biodiesel exports of 300,000 tonnes and production of 1 million tonnes last year
- Biodiesel blending is expected to be 950,000 tonnes this year, up from 700,000 tonnes in 2021
- Malaysia may only fully implement its B20 biodiesel plan in the transport sector by year-end as pandemic delayed upgrading of infrastructure
- At the moment B20 is only implemented in Sarawak and Labuan; the rest of the country's transport sector is still using B10
- Domestic consumption of biodiesel may rise to around 800,000 tons from 700,000 tons last year as Covid restrictions ease and more people travel
- Escalation of the war in Ukraine and crude oil's price response will be important in determining palm-gas oil spread. Higher crude oil prices will narrow the spread and make biodiesel a more feasible option
- It is unlikely that Indonesia will pull back B30 mandate for now; top grower may slow its implementation of B40

Other highlights

Council of Palm Oil Producing Countries (CPOPC) consultant Datuk Dr Kalyana Sundram said palm oil likely the solution to shortage of frying fat as the Russia-Ukraine conflict is seen to significantly curtail the availability of sunflower oil for various applications, food manufacturers will have to look elsewhere to circumvent their losses, particularly in the Asia and the Middle East regions, are already signaling this makeover.





Malaysian tech firm DiBiz launched the world's first online marketplace for sustainable palm oil on Tuesday to encourage sales of products certified as environmentally compliant as buyers have avoided the more expensive goods. The trading platform, called Trustparent Marketplace, will link palm oil buyers and sellers across the supply chain and has additional measures for traceability to ensure the industry's commitment to "No Deforestation, No Peat and No Exploitation".

JPM price forecast - The risk of escalation in the conflict, and under a scenario of crude oil prices tracking towards US\$150/bbl, may potentially drive up our CPO price forecast towards RM8,500 in 2Q22 and RM9,000 in 4Q22. On a quarterly basis, price forecast calls for a record high quarterly average through 2Q22 of RM7,700 before tracking to RM8,000 in 4Q22.

Palm oil prices set for new record highs in coming months - analyst Fry - Reuters News

KUALA LUMPUR, March 9 (Reuters) - Palm oil prices could hit a record 8,100 ringgit (\$1,938) a tonne in coming months following a plunge in global edible oil stocks and a decline in export surpluses, including the impact of war in Ukraine, analyst James Fry said on Wednesday.

He expected locally delivered crude palm oil prices in Malaysia to range between 6,600-8,100 ringgit a tonne until July, easing to 6,200-7,000 ringgit in the third and fourth quarters when supply builds up and demand reduces.

"The cupboard is bare; therefore there is no alternative to letting high prices do the job of rationing demand to balance the market," Fry, chairman of agribusiness consultancy LMC International, told an industry conference in Kuala Lumpur.

The benchmark palm oil contract FCPOc3 for May delivery on the Bursa Malaysia Derivatives Exchange was trading around 6,622 ringgit (\$1,583) a tonne on Wednesday.

Prices have risen 38% so far this year.

Fry said as much as 60% of Black Sea sunflower oil exports, or 8 million tonnes, would be delayed following Russia's invasion of Ukraine.

"A month ago we expected Black Sea sun oil exports to grow well over 2 million tonnes to 13.5 million in 2021/22. Now the question is how much will be lost due to the invasion," he said.

(\$1 = 4.1800 ringgit)

Palm oil prices to fall sharply in second half of 2022 - analyst Mistry - Reuters News

KUALA LUMPUR, March 9 (Reuters) - Prices of palm oil and other commodities may see a decline in the second half of the year as a possible stagflation and recession squeeze demand, leading analyst Dorab Mistry said on Wednesday.

Crude palm oil futures are likely to decline to 5,000 ringgit (\$1,196) a tonne and eventually to 4,000 ringgit by September, Mistry, director of Indian consumer goods company Godrej International, said at an industry conference in Kuala Lumpur. Prices are currently just under 6,500 ringgit.

However, strong biodiesel production and demand will prevent vegetable oil prices from dropping too much, he added.

Mistry forecast Malaysia's 2022 palm oil production higher at 19 million tonnes, while Indonesia's output is seen rising by at least 2 million tonnes.

Surging energy and materials prices in the wake of Russia's invasion of Ukraine are stirring fears of stagflation, the combination of rising inflation and slowing economic growth.

• PALM FACTS CORNER •

Seven Facts About Palm Oil Which May Surprise You

by Palm Oil Health | Jan 14, 2020

Palm oil is the most widely consumed vegetable oil on the planet! About 2.3 billion people around the world currently depend on palm oil as an important part of their food supply. But here in the U.S., most of us are just learning to appreciate palm oil for its health, culinary and environmental benefits.



In fact, we bet you didn't know:

1. **Palm oil is in about half of our packaged foods.** This includes products made by such well-known companies as Kellogg's, Nestle and Proctor & Gamble.
2. **Palm oil is the world's first certified sustainable vegetable oil.** Current palm oil industry certifications are: Roundtable of Sustainable Palm Oil (RSPO); Certified Sustainable Palm Oil (CSPO); Malaysian Sustainable Palm Oil (MSPO); and Indonesian Sustainable Palm Oil (ISPO).
3. **Palm oil is produced by simple steaming and pressing.** That's similar to how olive oil is produced.
4. **Palm oil is naturally trans-fat free.** That's why it's being used by the food industry as a replacement for unhealthy trans fats. It's also non-GMO.
5. **Palm oil is healthy.** It is the richest source of vitamin E tocotrienols, which support brain and heart health. Red palm oil also has more carotenes (pro-Vitamin A) than carrots.
6. **Palm oil may even help you lose weight.** Healthy fats improve your satiety so you might end up consuming fewer calories.
7. **Palm oil is flavor-neutral and has a buttery texture.** It's a versatile substitute for other vegetable oils. It can be used in most recipes including baked goods. It stands up to high heat without breaking down, which makes it an excellent choice for BBQ marinades, stir fry and fried foods.

But what about the rainforests?

Some Americans worry that the palm oil industry is destroying the rainforests and precious animal habitats. We bet you didn't know:

- **Approximately 80 percent of the palm oil in the U.S. is grown and produced in Malaysia.** Malaysian palm oil is certified sustainable.
- **Malaysia is committed to saving its rainforests.** At the 1988 Earth Summit, Malaysia committed to preserving more than half of its rainforests. It's preserved even more than that. There are also stringent policies covering wildlife protection and rehabilitation.
- **As we consume more palm oil, there is less stress on our natural resources than if we increased our use of other edible seed oils.** The oil palm is the most efficient oil-bearing crop in the world.