

E-NEWSLETTER

SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION



Chairman's Message

Eric Kiu Kwong Seng

Dear SOPPOA Members,

We are pleased to share with you another Newsletter updates that highlighted activities carried out by SOPPOA throughout the months of June and July this year.

Again, tackling labor shortage remains a priority.

SOPPOA has made another call to the Deputy Minister in-charge of labor and immigration on Jun 29 and conveyed to him on the urgency of getting foreign workers for the plantation sector. While we acknowledged that there have been many hiccups in the process of negotiation between Putrajaya and Jakarta for Indonesian workers, hope remains high that the state government could play a more direct role in assisting the industry.

SOPPOA was delighted to note after multiple appeals, the state government has finally agreed to increase the numbers of countries for sourcing foreign workforce for plantation sector to three(3) according to YB Dato' Gerawat. We pray that the cabinet paper will go through with ease in the coming month so that the oil palm sector would not be limited to only Indonesia as source country for labor.

It was encouraging to note that the Secretariat has also taken time to visit various council members. We thanked the members for their advices and sharing of experiences that are valuable to the Secretariat in managing the association.

Besides, the Secretariat has taken the effort to summarize some of the interesting points raised in two (2) of the webinars attended on CPO Price Outlook jointly organized by Maybank-SOPPOA and Mechanization & Automation in Oil Palm Plantation by MPOB.

Last but not least some findings released by MPOC on labor situation in Malaysian's palm oil sector is worth knowing too.

We hope that these brief updates will provide valuable insights to your line of works. Any feedback or queries are very much welcome.

We look forward to continuing to collaborate with all stakeholders and improving our services to the members.

HAPPY READING.



WORKING VISIT FROM MPOB SESSANG RESEARCH OFFICER ON 7 JUNE 2022



En. Mohamad Roslan Sulaiman, Research Officer from MPOB Sessang visited SOPPOA office on 7 June 2022

The 8th MPOB-SOPPOA and Oil Palm Industry on R&D in Sarawak met on 10 Mar 2020. It was supposed to follow up last year however had to be postponed due to movement restriction caused by pandemic.

En. Mohamad conveyed that MPOB is proposing a suitable date to meet with SOPPOA to discuss and update on the latest R&D development particularly in regards to Sarawak peat soil estates.

Below are some of the points raised in the previous meeting.

1. Research progress on Ganoderma

i. Fungicide approaches

Three trials on the treatments using fungicides through trunk injection were conducted in MPOB Teluk Intan, MPOB Sessang and SOPB. The results showed that hexaconazole gave lower palm death and was more effective than tetraconazole.

The recommended dosage for hexaconazole is 4.5g in 3L of water at the rate of 90ml per palm.

ii. Soil fumigants and biological control agents

Three types of biological agents were extracted (endophytic fungus, bacteria and actinomyces) from the collaborative works with UPMB. *Hendosonia* spp., an endophytic fungi showed promising result in controlling *Ganoderma* by applying them in the planting holes.

iii. *Ganoderma* insect vector

In Sarawak, two types of beetle that are responsible for spreading basidiospore of *Ganoderma* are *Ephoscapha*-4-maculata and *Episcapha* spp.

2. Pollinating weevil studies

The rate of development and morphometric characters of both sexes of *E. kamerunicus* showed no significant difference between the samples collected from selected sites in Malaysia (Latip et al., 2019)

In 2019, the average weevil population in peat in Sarawak ranged between 15-29 adult weevils/spikelet (AWS). Whereas, in mineral soil averaged 31 AWS.

On the other hand, in Peninsular the average was 49 AWS (peat) and 41-60 AWS (mineral). In Sabah, the range of population ranged from 21 to 71 AWS.

There was significant different observed in terms of sex ratio between sites located in Peninsular, Sabah and Sarawak.

MPOB was investigating the effects of weevil hatchery on supplementing weevil populations and its effects on fruit set formation.

3. Poor fruit formation

MPOB is drafting the standard operating procedure on methods of data collection related to fruit set counting, weevil population, pollen viability, and bunch component analysis.

4. Termite population control study

Field trial on hexaflumuron for controlling termite population was on-going in WFM Plantations Bhd.

Laboratory trials to evaluate the combination of Fipronil and entomopathogenic fungi, *Metarhizium anisopliae*, with oil palm parenchyma were also conducted.

5. *Tirathaba* population control study

Field trial on light trapping to break the life cycle of *Tirathaba* is being conducted was being studies in Daro and Sri Aman.

6. Other matters

The meeting also touched on soil health issues, sustainability, information related to MPOB technologies as well as proposal to set up technical session to further discuss fruit set and *Ganoderma*.

PRESS RELEASE ON 8 JUNE 2022

Sarawak plantations decry omission from approved foreign worker quota, seek state's help

KUCHING: The Sarawak Oil Palm Plantation Owners Association (Soppoa) is urgently calling on the state government to proactively help the industry solve its critical labour shortage.

According to Soppoa chief executive officer Dr Felix Moh Mee Ho, Sarawak oil palm companies have relied too much on the federal government in solving the issue.

"It is unfortunate that our urgency is always regarded as secondary and does not get much attention from them. For example, as far as Soppoa knows, none of Sarawak's plantation companies were included in the approved 32,000 quota (approved by Putrajaya).

"The bottom-line is that the industry cannot afford to have any further delays of incoming foreign workers, which has adversely impacted oil palm productivity.

The ripen fruits on the palm trees must be harvested immediately, failing which translates to additional loss of revenue when the unharvested fruits rot. Having the largest planted hectareage with oil palm, Sarawak should stand up and take the lead for the betterment of the industry," he stressed in a statement yesterday.

He claimed between 20 and 30 per cent of oil palm plantation areas in the state cannot be harvested due to a lack of harvesters, with many smallholders having abandoned their estates totally since they are unable to recruit workers.

Moh said almost all plantations,



Photo shows an abandoned, unharvested field due to the labour shortage.

regardless of size, in the state are operating at half of optimal capacity.

"This is because about 80 per cent of their workforce are Indonesians.

"Opening of borders has encouraged many Indonesians who were stranded at their workplaces due to the Movement Control Order (MCO) in the past two years to return to their home countries. Without the replenishment of new recruits, the plantation companies are experiencing a critical low in workforce," he said.

Moh said the labour shortage cost Sarawak plantation companies RM2 billion in revenue last year.

"At the same period, the state too lost hundreds of millions of in income derived from sales tax of palm oil products. This

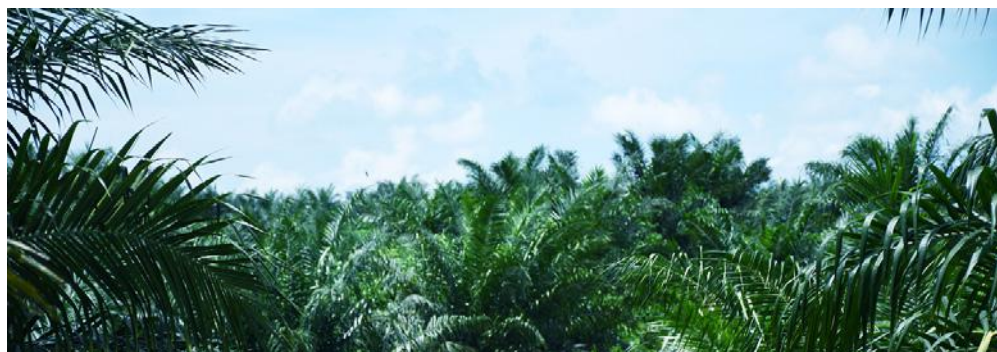
amount should be good for building several mega bridges in the state or possibly enough to connect all the rural villages with small bridges.

"Continuous labour problem is detrimental to the industry. Palm oil plays an important role in terms of the state's economy. It has provided incomes and uplifted living standards, especially to the rural parts of Sarawak," he said.

Moh called for more foreign workers to fill the void immediately as the "dream to encourage locals to participate in agriculture by raising minimum wages won't hold water".

He noted that the much-anticipated opening of borders for international travellers failed to bring foreign workers.

> Turn to Page 2, Col 1



08 | 8 · 6 · 2022 星期三 | 星洲

封底精選

解决油棕業勞工短缺 SOPPOA促砂政府助力



(古晋7日讯) 砂拉越油棕种植业者协会(SOPPOA)首席执行官毛维浩指出, 该会强烈敦促州政府采取积极态度, 帮助该行业解决劳动力短缺问题。

他说, 砂拉越的油棕公司在解决这个�题上过于依赖联邦政府。砂拉越拥有最大的油棕种植面积, 应该站出来带头推动行业的发展。

批联邦政府处理效率

"不幸的是, 我们的紧迫性总是被认为是次要的, 没有得到关注。据知, 砂拉越的种植园公司设有一家被列入批准的3万2000个配额。"

毛维浩今日在文告说, 去年10月, 大马原产业部(MPIC)部长宣布特别批准引进包括印尼在内的3万2000名外国工人, 以缓解种植业劳动力短缺的问题。随后, 人力资源部长和孟加拉侨民福利及海外就业部长于2021年12月19日签署关于招聘孟加拉国工人的谅解备忘录(MOU), 有效期至5年, 直至2026年12月。但到目前, 这两项努力都没有实现。

他说, 联邦政府也曾承诺开斋节后处理, 并引进第一批外劳, 但自宣布以来已经快一年, 但迄今还没有看到一个外籍工人到来。

缺劳动力 去年少收20亿

"砂拉越几乎所有种植园, 无论大、中、小, 都以一半的产能营运。这是因为他们约80%劳动力是印尼工人。边境开放鼓励许多因行动管制令滞留在工作场所的印尼人返国。但没有新员工补充, 种植园出现劳动力严重不足。结果, 由于收割人手不足, 高达20至30%的地区无法收割。许多小农户因无法招聘工人不得不放弃他们的园丘。"

毛维浩称, 劳动力短缺造成砂拉越种植园公司去年损失约20亿令吉收入, 国家也损失数亿来自油棕产品销售税的收入。连续的劳动力问题对行业不利。棕榈油在砂州的经济中发挥重要作用。它为州内的农村地区提供收入, 并提高生活水平。

他强调, 克服油棕园劳动力问题的唯一方法是招聘更多外籍工人来填补空缺, 而通过提高最低工资, 以鼓励当地人参与农业的"梦想"是站不住脚的。

毛维浩说, 该会在成员面临劳工问题上从未间断与州政府接触。自MCO以来, 该会坚持不断工作, 以确保所有种植园运作都在国家标准操作程序下继续。同时, 也与砂农业现代化及区域发展部参与制定在MCO期间招聘和管理外国工人的SOP。

引入外劳 属联邦权限

"过去几个月, SOPPOA与当局进行多次接触, 通过改善边境开放后的外国招聘程序, 解决一些因紧文阁引起的问题。SOPPOA也设法向砂拉越劳工、移民和项目监督部副部长讲述油棕行业遇到的各种困境, 并表示希望尽快缓解这些困境。根据拿督格拉瓦加拉的说法, 外籍工人严格属于联邦政府事务。砂拉越没有自主权, 无法在未获联邦政府批准下, 通过与外国政府的谅解备忘录直接与来源国处理外籍工人的问题。"

"现今, 这种限制不再是砂拉越招聘外籍工人的绊脚石, 因为我们都知道联邦政府已经与印尼和孟加拉国的同行签订招聘谅解备忘录。遗憾的是, 由于交易缺乏透明度, 企业界无法轻易获得未知原因, 导致招聘仍然存在很大延迟。"

由于缺乏劳动力, 成熟的油棕果实来不及收割而掉落地面。

人工不足, 油棕园野草丛生。



PRESS RELEASE ON 8 JUNE 2022

Soppoa: Many recruitment applications still stuck

> From Page 1

"There are lists of source countries that Malaysia can recruit workers from. By right the recruitment process should improve over time and be more efficient. Unfortunately, it isn't the case. Many recruitment applications still got stuck here and there in the process."

"The federal government's promise to sort things out and bring in the first batch of foreign workers after Hari Raya was again questionable as another festival Gawai has passed. It has been almost a year since the first announcement but the local industry has not witnessed a single arrival of foreign workers,"

he pointed out.

According to him, such inefficiency costs additional billion-rings revenue losses to the industry, which has already suffered since the Covid-19 pandemic.

"Last October, the Minister for Plantation Industries and Commodities (MPIC) announced a special approval to bring in 32,000 foreign workers, including Indonesia, to ease the labour shortage in the plantation sector."

"This followed by the signing of memorandum of understanding (MoU) on the recruitment of Bangladeshi workers, effective for five years until December 2026 by the Malaysian Human Resources Minister and Bangladesh's

Expatriates' Welfare and Overseas Employment Minister on Dec 19, 2021.

"However, neither of these two efforts has materialised," he lamented.

Moh said since the beginning of the MCO, Soppoa has worked tirelessly to ensure all plantation operations continued under strict standard operating procedures (SOPs).

He said Soppoa had also participated in formulating the SOP to recruit and manage foreign workers during MCO with the Ministry of Modernisation of Agriculture and Regional Development Sarawak.

In the past few months, he said Soppoa has had numerous

engagements with the state authorities on red tape by improving foreign recruitment.

"Soppoa managed to brief the Deputy Minister for Labour, Immigration and Project Monitoring Sarawak on various predicaments encountered by the industry, who also expressed high hopes to mitigate them at the soonest."

"According to Dato Gerawat Gala, foreign workers is strictly a federal government matter. Sarawak does not have the autonomy to deal with source countries directly on foreign workers without the federal government's prior approval through MoUs with foreign governments concerned," he said.

Moh said such restrictions should no longer be a stumbling block for Sarawak to recruit foreign workers, since the federal government has already signed MoUs with Indonesia and Bangladesh.

"Unfortunately, there are still many delays in recruitment caused by unknown reasons that are not readily available to the business industry due to lack of transparency of the dealings."

"Federal ministers involved in foreign recruitment have the tendency of changing goal posts whenever they cannot meet the promised dates."

"And highly likely that this will persist for a longer period," he said.

SOPPOA gesa kerajaan bantu industri sawit selesaikan isu kekurangan buruh

KUCHING: Persatuan Pemilik-Pemilik Ladang Kelapa Sawit Sarawak (SOPPOA) menggesa kerajaan negeri membantu industri sawit menyelesaikan isu kekurangan buruh.

Ketua Pegawai Eksekutif (CEO) SOPPOA Dr Felix Moh menerusi kenyataan semalam berkata, ia susulan kerajaan persekutuan mengambil masa terlalu lama untuk menyelesaikan isu buruh yang dihadapi industri tersebut.

Keadaan ini juga katanya, telah menyebabkan industri sawit mengalami kerugian tambahan berbilion ringgit sejak bermula pandemik COVID-19.

"Pada Oktober lalu, Menteri Perusahaan Per-

ladangan dan Komoditi (KPPK) Datuk Zuraida Kamaruddin mengumumkan kelulusan khas untuk membawa masuk 32,000 pekerja asing, khususnya dari Indonesia bagi mengurangkan kekurangan tenaga kerja dalam sektor perladangan."

"Bagaimanapun SOPPOA setakat ini mendapati tiada syarikat perladangan dari Sarawak dimasukkan dalam kuota yang diluluskan," katanya.

Selain itu katanya, terdapat usaha pemeteraian memorandum persefahaman (MoU) untuk mengambil pekerja Bangladesh berkuat kuasa selama lima tahun sehingga Desember 2026 oleh Menteri Sumber Manusia Datuk Seri M Saravanan dan Menteri

Kebajikan Ekspatriat Bangladesh dan Pekerjaan Luar Negara Imran Ahmad pada 19 Disember 2021.

Menurutnya, kesemua usaha ini tidak menjadi kenyataan.

Dalam pada itu Moh berkata, pembukaan semula sempadan untuk pelancong antarabangsa juga gagal membawa masuk pekerja asing ke negara ini.

"Pengambilan pekerja asing bukanlah perkara baharu. Terdapat pekerja dari senarai negara yang boleh diambil oleh Malaysia namun proses pengambilan pekerja harus ditambah baik dari semasa ke semasa supaya ia lebih cekap."

"Malangnya, ia tidak berlaku. Sebaliknya, banyak

permohonan pengambilan masih tersekat," katanya.

Beliau berkata, janji kerajaan persekutuan untuk menyelesaikan masalah dan membawa masuk kumpulan pertama pekerja asing selepas Hari Raya Aidilfitri kini diragui, apatah lagi apabila perayaan Hari Gawai Dayak baru sahaja berlalu.

Malah menurut Moh juga, hampir semua ladang di Sarawak beroperasi pada separuh daripada kapasiti optimum kerana kira-kira 80 peratus tenaga kerja mereka adalah warga Indonesia.

"Pembukaan sempadan telah menggalakkan ramai rakyat Indonesia yang terkandas di tempat kerja untuk pulang ke negara asal berikutan Perintah

Kawalan Pergerakan. "Justeru tanpa rekrut baha-ru, syarikat perladangan mengalami kekurangan tenaga kerja yang kritikal. "Akibatnya, kira-kira 20 hingga 30 peratus daripada ladang tidak dapat dituai kerana penuai tidak mencukupi, menyebabkan pekebun kecil meninggalkan ladang mereka," jelasnya.

Moh dalam pada itu berkata sejak awal PKP, SOPPOA telah bekerja tanpa jemu memastikan semua operasi perladangan diteruskan di bawah prosedur operasi standard (SOP) yang ketat.

Beliau berkata SOPPOA juga telah mengambil bahagian dalam menggubal SOP untuk mengambil dan men-

gurus pekerja asing semasa PKP bersama Kementerian Pemodenan Pertanian, Tanah Adat dan Pembangunan Wilayah Sarawak.

Dalam beberapa bulan kebelakangan ini juga, beliau berkata SOPPOA telah mengadakan perbincangan bersama pihak berkuasa negeri mengenai kerena birokrasi dengan menambah baik pengambilan pekerja asing.

"SOPPOA berjaya memberi taktik kepada Timbalan Menteri di Jabatan Premier Sarawak (Buruh, Imigresen dan Pemantauan Projek) Dato Gerawat Gala mengenai pelbagai kesukasan yang dihadapi industri."

"Menurut beliau, pekerja asing adalah urusan kerajaan persekutuan."

"Sarawak tidak mempunyai autonomi untuk berurusan dengan negara sumber secara langsung mengenai pekerja asing tanpa kelulusan kerajaan persekutuan terlebih dahulu melalui MoU dengan kerajaan asing berkenaan," katanya.

Moh berkata sekatan seperti itu tidak sepatutnya menjadi penghalang kepada Sarawak untuk mengambil pekerja asing kerana kerajaan persekutuan telah menandatangani MoU dengan Indonesia dan Bangladesh.

Malangnya, masih terdapat banyak kelewatan dalam pengambilan disebabkan punca yang tidak diketahui kepada industri perniagaan kerana kekurangan ketelusan urusan, katanya.



Courtesy Call To Permanent Council Members

1 Introduction

With the ease of movement control and procedures, the SOPPOA secretariat is entrusted by the Exco to arrange time to visit its members.

It is envisioned that such an engagement not only foster better relationship but also to share views and knowledge so that the vision and mission of SOPPOA would be executed in more orderly and collective manner.

2 Woodman Plantation Sdn Bhd on 13 June 2022



Photo taken with Dato' Sri Law Kiu Kiong, Managing Director (center) and Mr. Kueh Chie Tiong, CEO of Woodman Sdn Bhd

Dato' Sri shared that several member companies have carried out many R&Ds over the years. In the processes, they encountered many obstacles and mistakes which were unreported. However, the industry has gained enormous experience and knowledge from it.

SOPPOA secretariat was welcomed to reach out to the members for views and opinions before embarking on any R&D project so that similar mistakes can be avoided and thus minimizing risk of resources.

Dato' Sri advised that SOPPOA should approach and invite Samling and BLD to play a more important role in the association.

3 Sarawak Plantation Bhd on 13 June 2022

En. Iswandi took note that SOPPOA has been very active especially in press releases. He opined that perhaps SOPPOA could consider different approaches when come to expressing issues that affecting the industry such as writing directly to relevant authority for seeking platform for discussion and resolution.

He also suggested SOPPOA to propose fund subsidy to government, i.e. MANRED, for those companies that wish to improve their estates for mechanization.

Besides, SOPPOA should also approach the MPOB Chairman, who is the MP for Lubok Antu, for recommending SOPPOA for MPOB and MPOC board memberships.

Felix took the opportunity to brief En. Iswandi, who showed great interest in R&D proposal undertaken by SOPPOA reported in previous Newsletter, that MARCOP has called 5 meetings in the last 9 months to vet potential projects proposals submitted by various research bodies. Unfortunately, none has been approved for industrial trial due to some shortcomings. Last month MARCOP has communicated with research organization from China (CIIA) who showed interest in looking and developing harvesting equipment using their expertise in automation and robotic.

Felix also updated that the EFB incinerator proposal has been submitted to YB Dr. Hazland, and the secretariat in arranging a follow up meeting with him.

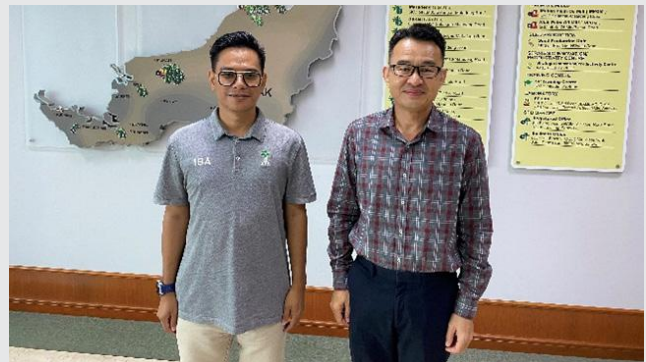


Photo taken with En. Iswandi Bin Ayub, COO of Sarawak Plantation Bhd

4 Rimbunan Sawit Bhd on 15 July 2022

Mr. David Tiong shared that RH Academy was established in 2005 as skills training center to cater in-house training needs for RH Group, with Automotive Mechatronics and Automotive Technicians as the core course offerings. Since 2010, the Academy has repositioned itself as an accredited Skills & Professional Development Center under Malaysian Skills Certificate (SKM) that also offers plantation courses.

The center has the potential to be included in the training program as spearheaded by SOPPOA.

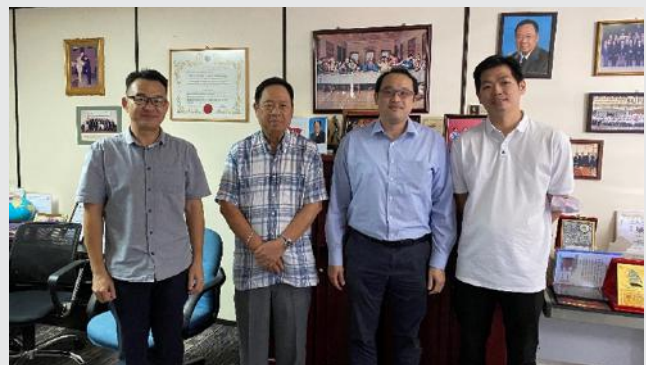


(From left) Eric Kiu, David Tiong Chiong Onn, Timothy Tiong & Felix Moh.

Mr. David Tiong also raised the concern of ever-increasing cost of production. He informed that SOPPOA has requested the state to review the threshold level for levying CPO during his term and SOPPOA should continue pursue the matter.

Mr. Eric Kiu responded that the SST matter was been brought to CM in Feb 2022 who despite unfavorable of the suggestion but instructed the then State Secretary to have a proper study for further discussion.

5 Solid Oil Palm Plantation Sdn Bhd on 14 July 2022



(From left) Felix Moh, Dato' Ding Lian Cheon, Eric Kiu and Wong Tai Hwa at Solid Oil Palm Plantation Sdn Bhd.

JOINT WEBINAR BY MAYBANK AND SOPPOA ON CPO PRICE OUTLOOK ON 15 JUNE 2022



15 JUNE 2022
10:30 – 11:30AM
 (MY/SQ/HK/PH time, GMT+8)

Speaker:
Alvin Tai
 Analyst, Soft Commodities,
 Bloomberg Intelligence

Co-conversationist:
Ong Chee Ting
 Regional Plantations Analyst, Research
 Director, Maybank Investment Bank Berhad

Speaker's Profile

Alvin is an Analyst covering the Global Soft Commodities industry in Bloomberg Intelligence. He has more than 20 years of experience in equity research including 18 years in Agriculture research. Prior to joining Bloomberg Intelligence, he was the Regional Sector Head at RHB Research, covering Plantation companies across South East Asia. He has won accolades from *Stammine* and *Asian Wall Street Journal* among others during his time as a sell-side analyst.

To ensure your spot in this Zoom session, please RSVP to mibgaccess@maybank-ib.com or your Maybank IBG salesperson.

This webinar is jointly hosted by Maybank Investment Banking Group & SOPPOA. The webinar has received an overwhelmed participations with 254 registrations.

The invited speaker for this webinar was Alvin Tai and his area of expertise was briefed in the flyer. He started with a brief introduction of the role of Bloomberg Intelligence which is the research arm that consists of more than 400 hundreds research professionals globally to help its clients make informed decision in the rapidly moving investment landscape.

His presentation was focused on palm oil by looking at different factors that may affect the price of this commodity particular in reference to weather disruption, Ukraine war, Indonesia's protectionism measure, and supply demand of key consumers like India and China.

Alvin concluded that prices have peaked for palm oil. The important drivers for agriculture will be the weather, end of La Nina, in the next couples of months into 2023. Indonesia output has gradually improved and should lead to higher exports therefore softening palm oil prices. He also informed that the negative phase of IOD that brings about the opposite conditions, with warmer

water and greater precipitation in the eastern Indian Ocean, and cooler and drier conditions in the west, is the next major weather event to monitor. Finally, the import trends by India, who may raise purchases, and China who may remain flat, will significantly affect the price of palm oil in next few months.

Here are some of interesting points to take home.

- 01** The factor that may drive the CPO output highly dependence on weather and the recovery of Covid-19 related disruptions i.e. on harvesting and other field works. The planting expansion in other parts of world may not have much significant in driving out palm oil output. Furthermore, there will be a period of stagnation going forward due to replanting in Indonesia.
- 02** Fertilizer at this point of time is readily available as there is no complete blockage of fertilizer products coming out from Ukraine or Russia or evidence that planters unable to source for fertilizer.
- 03** Indonesia 2023 production may see some minimum growth but not to the extend be negative (–) at worse case it will be flat.
- 04** Despite government is working on it, the labor shortage may not be easily resolved especially the Covid is not fully gone. As a result, Malaysian palm oil will remain below 19mil level for 2022.
- 05** It is anticipated that Indonesia Domestic Market Obligation (DMO) may remain for a while until its local palm oil prices return to normalcy. Indonesia produces a lot more palm oil than domestic needs (local consumes 30% of the total production), therefore there is no logic the country short of supply to the domestic market.



► From...06

- 06** With better weather condition, the global agriculture outputs in next 2 or 3 years would be higher. The 7-year cycle of El Nino may have significant contribution to the production.
- 07** The negative phase of IDO does not affect the South East Asia country or on palm oil.
- 08** Palm oil price would fall below RM5000 level in the remaining year, or ranging RM4,000 to RM4,500 with good support. The speaker does not have longer term sustainable price level, however, depending on the Indonesia production whereby price may not weaken if there is no peak production in 2023.
- 09** Wage is just one factor to attract Indonesian worker. Planters may need look into improving other factors like negative perception and reputation.
- 10** Many negative factors draw CPO price to RM6,000 and beyond, thus it will be difficult to sustain at that level and lower production from Indonesia alone does not affect much.
- 11** Current Indonesia inventory stands at 9.6mil tons. However, those oils are not readily available to the market resulting in palm oil price remain high.
- 12** Environment, social and governance (ESG) has already played an important role in influencing palm oil price and not just way forward. For example, Indonesia's moratorium, RSPO and MSPO certifications at very much ESG driven.
- 13** Despite increased in input cost, oleochemicals have been very well in the last 2 years. Oleochemicals have been commanding higher premium against petrochemicals.
- 14** Fertilizer prices may remain at the current level. Easing of fertilizer prices may happen if there is lower in demand.
- 15** If La Nina extend it may affect the US crop season, then there will be shortage of oilseeds and edible oils than could actually keep the palm oil prices higher than RM5,000.
- 16** Negative IDO may encourage India to import more oils but that single factor may not likely to influence palm oil price above RM5,000.
- 17** Replanting phase has been picking up in the last 1 or 2 years, however, 2022 witnessed a bit of slowing down mainly because of good price of palm oil. However, replanting is inevitable in the next few years due to aging of trees.
- 18** Ukraine and Russia make up of half of global sun seeds production, but sun seed only about 10% of total oil seeds supply. That's mean the two countries make about 5% of total supply. This has resulted in shift of usage to palm oil.
- 19** In nutshell, things are pointing to weaker global agriculture along with palm oil prices.

WEBINAR ON MECHANIZATION AND AUTOMATION IN OIL PALM PLANTATION: CHALLENGES AND THE WAY FORWARD ON 21 JUNE 2022

The call for employing mechanization in oil palm plantation is not new. The adoption of mechanization in the past was low due to several factors such as easy availability of human labor and high machinery investment cost.

The pandemic has brought different twist to the industry whereby every level of supply chain was destructed including labor supply. Malaysian oil palm plantation experienced acute labor shortage as a result.

There is no other option other than relook at the possibility of incorporating higher degree of mechanization into the operation to make up the loss derives from not enough manpower.

Datuk Dr. Ahmad Parveez Bin Chulam Kadir, DG of MPOB, had once again emphasized the importance of mechanization in the operation of oil palm plantation and he also highlighted various approaches undertook by government to encourage more planters big or small to increase productivity through mechanization.

THE CHALLENGES : LABOUR SHORTAGE

JOB CATEGORY	SHORTAGE (%)	Based on the monthly reporting by MPOB licensees, highest percentage of shortage is for the FFB Harvesters & Collectors job category This is because the job category has been dominated by the foreign workers.
Mandores	2.0	
Harvesters & Collectors	53.0	
Field Workers	34.4	
General Workers	9.5	
Office Workers	1.1	

MPOB study shows that oil palm plantation experiences labor shortage in every job category: 2% for mandores, 53% for harvesters & collectors, 34.4% for field workers, 9% for general workers and 1.1% for office workers.

Nevertheless, the operation suffers the most as a result of heavy reliance in import labor especially in harvesting activity.

1. SHOT-TERM SOLUTION

This initiative to address labor shortage is to attract more local participation in oil palm sector via continuous implementation of training & human resource development programs such as PLASMA at palm oil training center in Keratong and Lahad Datu.

Active promotion on the employment opportunities within the industry were also emphasized through seminars and engagements with the academic institutions and other relevant organization.

The effort showed that local participation has increased by 2.7% in 2021 vs. 2020.

2. LONG-TERM SOLUTION

This is through productivity improvement via mechanization & automation.

Dr. Parveez explained that general concept of oil palm mechanization is a field practice that utilize technologies to carry out required operation. It increases work productivity in the field. Thus, could reduce human labor dependency. Various factors militate in favor of the shift to mechanization as a way to increase labor productivity, reduce operation cost, improve sustainability, increase profit in the long-term.

A series of mechanization technologies developed by MPOB were presented and elaborated.

R&D of FARM MECHANISATION & AUTOMATION (List 1)

Transfer of Technologies = 51
Transfer of Services = 4

Currently, a total of 11 high-tech R&D projects are undertaking, these include laser technology, ultrasonic transducers, radio coordinating (RC), and various harvesting technologies.



R&D of FARM MECHANISATION & AUTOMATION (List 2)



R&D of FARM MECHANISATION & AUTOMATION (List 3)



Dr. Parveez also explained in greater detail of the role of MARCOP whose role is mainly to explore and fund initiative on the development of technical and economical viable oil palm mechanization technologies for oil palm harvesting. Please browse <http://marcop.mpob.gov.my> for more detail.

ENGAGEMENT BETWEEN HIGH COMMISSION OF CANADA & SBF COUNCIL MEMBERS ON 27 JUNE 2022



(From left) Dr. Felix Moh, SOPPOA; Sean Liak, Sarawak ICT Association; Yamunah Kandasamy, Trade Commissioner and Ryan Baerg, Counsellor (Commercial) and Senior Trade Commissioner, High Commission of Canada; Datuk Abang Hj. Abdul Karim, SBF; Peter Chai Mui Seng, Sarawak Manufacturers' Association and Alvin Sia, Sarawak ICT Association.

The purpose of this engagement was to explore collaborative initiatives, exchange thoughts and to hear more about Canadian products in ICT and cleantech sectors.

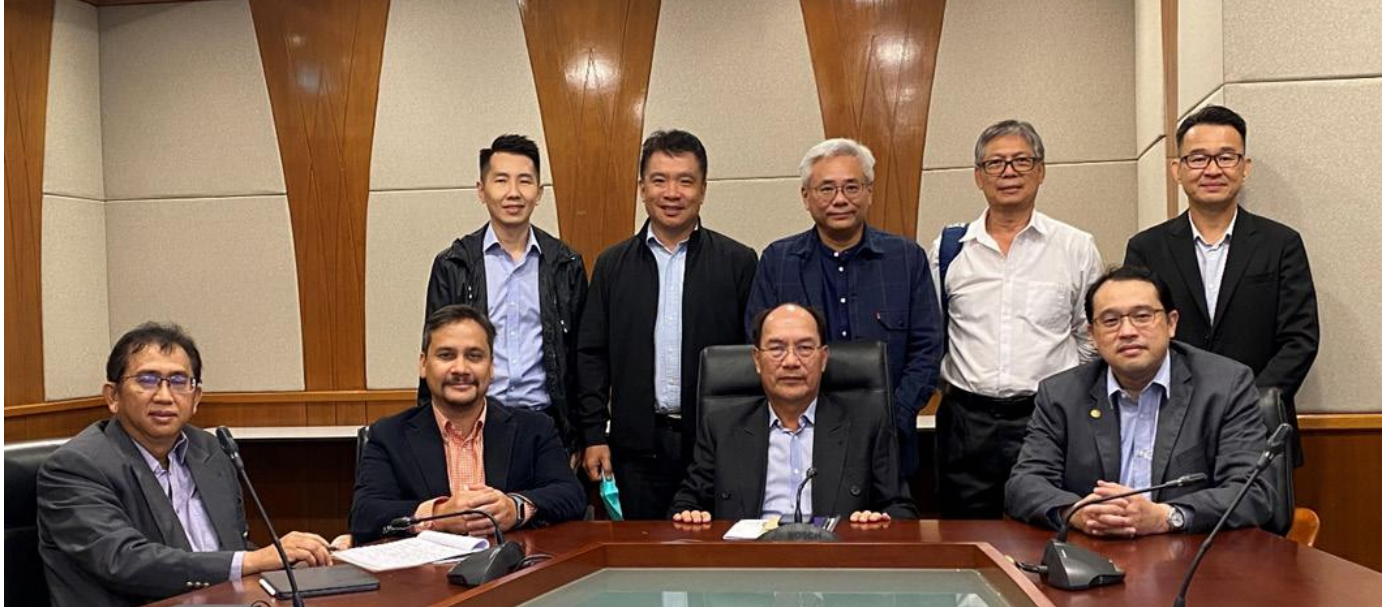
For members' information, SOPPOA also registers as a member in the Sarawak Business Federation (SBF). SBF is a joint-federation that represents key organizations and industries in Sarawak with the main objectives to promote business, protect the interest of the business community in the State and to speak with a united voice on all matters that affect the business community.

Current SBF is led by Datuk Hj. Abang Abdul Karim as President, and SOPPOA is represented by its chairman who holds a Treasury post.

Very often SOPPOA secretariat will participate in meeting and activities that organized by SBF. With the existing of such platform, SOPPOA is able to play a more proactive and pivotal role to improve and enhance the growth of the Sarawak palm oil industry directly or indirectly.



COURTESY CALL TO DEPUTY MINISTER IN PREMIER DEPARTMENT (LABOR, IMMIGRATION & PROJECT MONITORING) ON 29 JUNE 2022



*(1st row right) Eric Kiu Kwong Seng, YB Dato Gerawat Gala, Alexi Lawrence Marcel Wan Ullok & Joseph Blandoi.
(2nd row right) Dr. Felix Moh Mee Ho, Lim Hong Hin, Roger Lai, Shannon Yii, & Tang Sing Lui*

SOPPOA has had several engagements with YB Dato Gerawat in the last few months. However, due to movement restriction, the meetings were performed virtually.

On 29 June 2022, SOPPOA has the opportunity to physically visit YB Dato Gerawat at his office at Dewan Undangan Negeri Sarawak, which was led by its Chairman, Eric Kiu.

The main purpose of the meeting was to follow up with the Deputy Minister on various issues raised in the last meetings pertaining to labor shortage and to improve and shorten the processing time for foreign worker recruitments.

The meeting also revealed the commitment of SOPPOA to working with the government and stakeholders in order to steer the industry forward.

i. No suitable equipment for harvesting

Eric Kiu stated that mechanization has long been implemented in oil palm plantation operation.

Thus far major achievement of mechanization for oil palm operation is on crop evacuation from fresh fruit bunches (FFB) platform and delivery them to ramp or directly to palm oil mill using both lorry and tractor-trailer system.

Due to differences in terrains and surface contours of the plantation, mechanization for in-field evacuation of FFB and upkeeping activities like fertilizing or weeding are implemented in a lesser degree.

Unfortunately, there is no suitable harvesting equipment that is applicable across-the-board to cut down ripe fruits from the trees. Therefore, the industry still highly rely on manual labor to carry out harvesting job which is very strenuous and requires experienced workers. In Sarawak, almost all harvesting job is carried out by Indonesian workers.

► *Cont..11*



► From..10

ii. Detrimental to production

Eric Kiu warned that worker shortage has forced plantation management to divert all their manpower from other job categories for harvesting and in-field evacuation of FFB.

As a result, many field upkeeping or maintenance works such as frond pruning, fertilizer application and weed control have to be reduced or abandoned totally.

These un-agronomical practices may lead to less productivity in years to come which requires at least two years of rehabilitation in order to bring the abandoned block back to optimal.

iii. Source countries

Unlike other states, only Indonesians are allowed for oil palm plantation in Sarawak.

Dato Gerawat agreed that there are many signs that Indonesian government does not encourage its citizen to work in this country. Moreover, its new capital that reportedly requires about 1 million workforce create abundance job opportunity for them to work at home.

He further informed that his department has recently proposed a cabinet paper to include additional 3 source countries for foreign workers.

Eric Kiu pointed out that South Korea companies has recruited Timorese to work in their country since 2009. Due to their similarity in terms of culture and language with Indonesian, it would be advantage for Sarawak to consider hiring Timorese to work in the oil palm plantation too.

He also proposed State government to open option to India, Nepal, Pakistan and Sri Lanka.

iv. Processing time

Dato Gerawat informed that the Foreign Workers Centralized Management System (FWCMS) reported by the HR minister for employers to apply and hire migrant workers is only for West Malaysia.

For Sarawak, the foreign workers processing still involve labor and immigration departments. He informed that since the last meeting with SOPPOA, his department has looked into streamlining all the processes for foreign recruitment and cut short the processing times as priority.

He iterated that his department is acting as a 'one-stop center' for foreign worker recruitment. In addition, by incorporating ICT, the recruitment processing time should be improved dramatically soon as agreed in table below as at April 2022.

Type of Application	Processing Time	
	Previous	Achieved by SOPPOA
AP Quota	2-3 months	1.5 months
New Labor Licence	2-3 months	7 days
Calling Visa	2-3 months	30 days
	6-10 months	Ca. 3 months

A FOLLOW-UP ON SOPPOA-RIAMTEC COLLABORATION ON OIL PALM PLANTATION MANAGEMENT COURSES ON 7 JUL 2022



(Center) Eric Kiu Kwong Seng, Chairman SOPPOA and Dato' Sri Law Kiu Kiong, Joint Chairman Riamtec. Also present (from left) Dr. Felix Moh Mee Ho, CEO SOPPOA; Chua Kian Hong, Plantation Advisor SOPB; Edwin Ha, Representative of Secretary SOPPOA and Director Hass Plantation; Dr. Pauline Ho, CEO Riamtec; Dato' Sri Lau Hieng Su, Deputy Chairman Riamtec; Chua Min Fan, Dean Riamtec; and Dato' Pui Yuh Tzer, Director Riamtec.

According to Dr. Pauline the initiative to set up an oil palm plantation courses between SOPPOA and Riamtec came in January this year.

Since then, a series of meetings between the two has been held.

Date	Event
Jan	Preliminary discussion on collaboration between SOPPOA and Riamtec
Feb	Follow up discussion to approach collaboration with ISP
15 Feb	Zoom meeting between SOPPOA-Riamtec-ISP
28 Mar	Presentation by Riamtec to use JPK SKM certification to SOPPOA AGM
9 May	After discussion with SOPPOA, Riamtec decided to use the following NOSS Level 2 SKM Oil Palm Estate Mechanization Operation (A012-004-2:2020) Level 3 SKM Oil Palm Estate Mechanization Operation Supervision (A012-004-3:2020)
16 May	VTO PPT courses started by Riamtec. Due date for proposal submission is on 28 Jul 22.

Mr. Chua Min Fan reported that the Jabatan Pembangunan Kemahiran (JPK) program provides greater flexibility whereby Riamtec has the option to start at the certificate level (2 & 3).

Upon completion diploma (Level 4) the students can advance their study at any Malaysia Technical University Network (MTUN) for degree that specializes in high technical and technology programs which are practical-oriented.

He informed that Riamtec is able to offer courses up to diploma level only.

The normal duration of each level is 8 to 12 months.

He further explained that the training modules will be derived based on National Occupational Skills Standards (NOSS) that approved by JPK.

Mr. Chua proposed to invite SOPPOA members who are experienced in oil palm plantation management to participate in formulation of training materials based on NOSS guidelines.

Currently Riamtec has nominated 3 candidates for Vocational Training Officers (VTO) who take charge in drafting and compiling documents for the development of syllabus to be submitted to JPK for approval. In this aspect, some information may require SOPPOA contribution.

The strength of these courses is the inclusion of mechanization aspects into the normal (conventional) field operational practices.

Mr. Eriu Kiu acknowledged that SOPPOA can play a important role in facilitating Riamtec in terms of sharing of information and assisting in customizing training materials that are more relevant to actual practices in the oil palm plantation.

He suggested that best mixture of the program should be 50% theory and 50% practice.

He supported the idea to form a SOPPOA-Riamtec Education Committee to look into the formulation and development of the courses.

► Cont..13

► From..12

The availability of detailed and standard training materials is crucial to ensure the consistency of training program.

Dato' Sri Law Kiu Kiong suggested that the courses should target 2 types of students: first is the school leavers who wish to pursue career in plantation and second is those who are currently working in the plantation and want to upskill their knowledge.

He stressed that this industry is in dire need of knowledgeable and skilled employees so that operation will be executed in more orderly manner.

He elaborated that employers have the responsibility to upgrade and upskill their employees. The employers can consider supporting the employees by means of full or partial tuition fee assistantship. In return, the employees may be bonded with the company for a certain period of times which is agreeable by both parties.

SOPPOA is the most suitable organization to facilitate training opportunity for its members through partnering with local institutes. On the other hand, member companies could commit and support the institutes by sending their employees to attend the courses.

Dato Sri informed that Riamtec has acquired a new plot of land at Miri bypass that will be converted into training center which is expected to start construction sometimes next year. He hoped that part of this near learning center can be allocated for oil palm training purpose.

Dato Sri Lau Hieng Su agreed that the development of the training materials should start immediately and any shortfall can be improved as it goes along.

Mr. Eric Kiu recorded his appreciation to Dato Pui for his voluntary participation.



Brainstorming and discussion session on NOSS by SOPPOA-Riamtec Education Committee



UNTUK ALBUM: Eric (empat kiri) bersama Law (lima kanan), Felix (kiri) serta yang lain selepas mengadakan mesyuarat kelmarin.

Tiba masa SOPPOA bekerjasama dengan Riamtec, kata Pengerusi

KUCHING: Persatuan Pemilik Ladang Kelapa Sawit Sarawak (SOPPOA) berasa kini sudah tiba masanya untuk persatuan bekerjasama dengan sebuah institut pendidikan seperti Riamtec.

Pengerusi SOPPOA Eric Kiu berkata, Riamtec bertanggungjawab dalam penyediaan pengetahuan, kemahiran dan nilai budaya secara sistematik dalam konteks industri perladangan kelapa sawit di Sarawak.

"Saya mencadangkan agar ahli SOPPOA boleh membantu dan memudahkan dalam mereka bentuk kursus, penstrukturan modul dan menetapkan parameter yang sesuai untuk sukatan pelajaran.

"Industri perladangan kelapa sawit di Sarawak telah wujud lebih 50 tahun. Sarawak mempunyai kawasan terbesar yang ditanam dengan kelapa

sawit seluas 1.6 juta hektar.

"Selama ini, penanam berpeluang mempelajari dan menimba ilmu mengenai penubuhan dan pengurusan ladang kelapa sawit di sini yang amat berbeza berbanding negeri lain dari segi bentuk muka bumi, jenis tanah dan cuaca," katanya menerusi kenyataan, semalam.

Beliau berkata demikian selepas mesyuarat bersama Riamtec yang dihadiri pengerusi bersama Riamtec Dato Sri Law Kiu Kiong kelmarin.

Tujuan mesyuarat diadakan adalah untuk membuat susulan perkembangan kursus pengurusan ladang kelapa sawit yang dijalankan oleh Riamtec yang akan ditawarkan kepada ahli SOPPOA.

Sementara itu, Law yakin ladang kelapa sawit di Sarawak akan mendapat manfaat yang besar daripada program ini.

Beliau menegaskan pengurusan perladangan berasaskan pengetahuan amat penting bagi memastikan kesinambungan industri ini dalam menghadapi cabaran mendatang.

Beliau juga berkata, majikan ladang kelapa sawit mempunyai tanggungjawab dalam meningkatkan pengetahuan dan kemahiran kakitangan dan pekerja mereka melalui saluran pendidikan yang betul.

Memandangkan kemajuan perancangan, SOPPOA-Riamtec menjangkakan pengambilan pertama menjelang Januari tahun depan.

Terdapat dua kategori kursus iaitu sijil dan diploma dalam pengurusan ladang kelapa sawit yang sesuai untuk kedua-dua lepasan sekolah dan dewasa yang bekerja.

Hadir sama Ketua Pegawai Eksekutif SOPPOA Dr Felix Moh Mee Ho serta ahli lain.

SOPPOA廉律理工聯辦 油棕園管理課程招生

(古晋8日讯) 砂拉越油棕种植者协会 (SOPPOA) 本月7日拜访廉律理工学院董事会和高级管理层, 商讨油棕种植园管理课程进展情况。

邱冠森: 与教育机构合作合时宜

砂拉越油棕种植者协会主席邱冠森指出, 砂拉越油棕种植业已存在五十多年, 州内的油棕种植面积最大, 达160万公顷。

"多年来, 种植者有机会在这里学习和获得有关建立和管理油棕种植园的知识, 这与其他州在地形、土壤类型和天气等方面有很大不同。"

他认为, 现在是与教育机构如廉律学院合作的时候, 负责在砂拉越油棕种植业范围内系统地传播知识、技能和文化价值。

邱冠森建议, 该会成员可以协助和促进课程设计和模块结构和设置适合教学大纲的参数。

刘久健: 对油棕种植业至关重要

另一方面, 廉律中学和廉律理工学院联合董事长拿督斯里刘久健相信, 砂拉越的油棕种植园将从这项计划中受益匪浅。

他强调, 以知识为基础的种植园管理, 对于确保该行业在面对未来挑战时的连续性至关重要。

"油棕种植园雇主有责任通过适当的教育渠道, 提升其职员和工人的知识和技能。"

刘久健认为, 吸引更多年轻人参与这个行业的一种方法是通过教育。同时, 他赞许邱冠森的远见, 愿意承担为砂拉越油棕种植业建立起教育平台的责任。

"鉴于规划的进展, SOPPOA-廉律预计在明年1月将进行首次招生。有两个课程类别, 即油棕种植园管理证书和文凭, 适合离校生和工作的成年人。"



砂拉越油棕种植者协会主席邱冠森 (左四) 拜访廉律理工学院董事会和高级管理层, 商讨油棕种植园管理课程进展时合影。右起为廉律中学和廉律理工学院董事拿督贝李智、院长蔡明辉、副理事长拿督斯里刘宝全、首席执行官何宝玲及联合董事长刘久健; 左起为砂拉越油棕种植者协会首席执行官毛维浩、蔡健煌、夏绍铭。

• PALM FACTS CORNER •

Malaysia Palm Oil Council Releases Analysis of U.S. Labor Claims

by MPOC | June 20, 2022

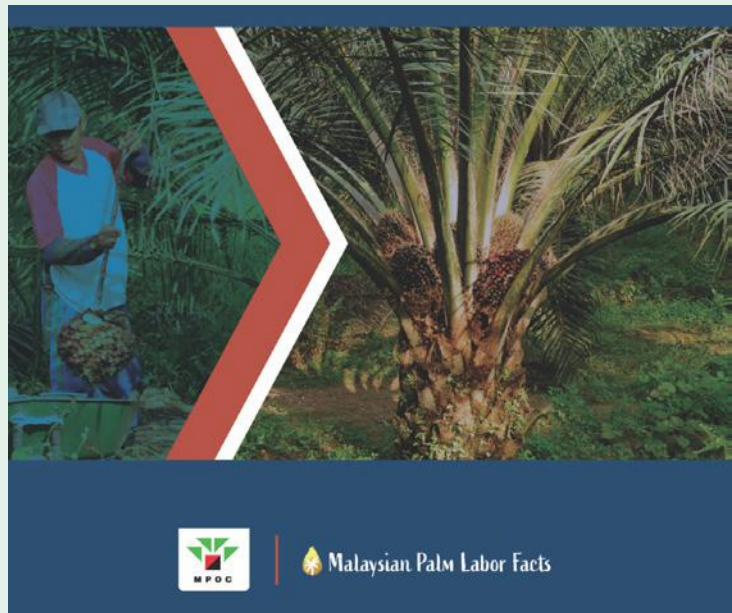
Today, the Malaysian Palm Oil Council (MPOC) is releasing the findings of an analysis that uncovers significant shortcomings in the data and sources cited, and used, by U.S. authorities in their criticism of the labor situation in Malaysia's palm oil sector. The analysis finds that the data and evidence presented by U.S. authorities, and the sources themselves, deserve significant scrutiny.

Upon releasing the analysis, Larry Soon, Chairman of the Malaysian Palm Oil Council and Member of the Malaysian Parliament made the following statement:

"Our analysis finds that many of the U.S. authorities' claims against Malaysia are poorly-sourced and have no basis in data or fact."

"This requires urgent bilateral consultations between Malaysia and the U.S. authorities ahead of the planned annual updates to the reports conducted by the U.S. Department's of Labor and the State Department. We hope that this can be achieved as part of the new Malaysia-U.S. dialogue established during the U.S.-ASEAN Summit."

"For the avoidance of doubt – the Malaysian palm oil community accepts that there have been shortcomings in Malaysia's regulatory regime around labor rights. But transparency and reform works both ways: where claims are false they should be withdrawn."



1. Analysis

The Malaysian Palm Oil Council (MPOC) has undertaken a close assessment of a number of the source materials cited by the U.S. Department of Labor (DoL), U.S. Department of State (State), and the U.S. Department of Homeland Security's Customs & Border Protection (CBP). The sources themselves, and the data and evidence they present, deserve significant scrutiny. Our research uncovers significant shortcomings in the data and sources cited, and used, by these U.S. authorities:

• Old Data:

Much of the data provided by sources such as NGOs, or petitioner organizations, are out-of-date (in some cases by almost 40 years) or are not applicable to the specific complexities of the Malaysian palm oil sector.

• Glaring Omissions:

The U.S. Department of Labor's assessment of the palm oil sector relies on significantly outdated sources and datasets, and fails to take into account initiatives undertaken by the private sector in terms of preventative action.

• Misleading Accusations:

The U.S. Department of Labor claims widespread forced child labor across Malaysia's palm oil sector. However, the research cited and used to make these claims finds no evidence of widespread forced child labor that violates international norms.

• PALM FACTS CORNER •

• Bias:

There is reliance in several instances on reports by lobby groups that are explicitly opposed to palm oil in South East Asia. Using such reports as source documentation is not serious public policy, given the pre-existing bias built into those organizations. This approach undermines the claim that the findings by the U.S. authorities are taken from independent and evidence-based groups. Moreover, it undermines the goals of rooting out forced labor.

• Failure to Acknowledge Progress:

The U.S. State Department's assessment similarly fails to acknowledge the work undertaken by the private sector to establish better practices, including NGO collaboration where government policies have not kept up to date with global benchmarks.

2. Progress Is Being Made

The Malaysian Palm Oil Council (MPOC) has undertaken a close assessment of a number of the source materials cited by the U.S. Department of Labor (DoL), U.S. Department of State (State), and the U.S. Department of Homeland Security's Customs & Border Protection (CBP). The sources themselves, and the data and evidence they present, deserve significant scrutiny. Our research uncovers significant shortcomings in the data and sources cited, and used, by these U.S. authorities:

- On 21st March, the Malaysian Government ratified International Labor Organization (ILO) Protocol 29 on Forced Labor.

- On the sidelines of the U.S. – ASEAN Summit, Malaysia's Human Resources Minister Datuk Seri M. Saravanan, the U.S. Department of Labor's Deputy Undersecretary for International Affairs Thea Lee, and the U.S. Customs and Border Protection's Executive Assistant Commissioner AnnMarie Highsmith announced that the two countries would form a committee to address forced labor, including via policy formulation. The committee will meet every three months.

- The Malaysian government announced that amendments to the Trade Unions Act would be tabled before parliament in July. Reforms to the Trade Unions Act have been a key ask of the U.S., and international community with regards to labor issues in Malaysia for many years.

- The Malaysian Palm Oil Certification Council (MPOCC) recently announced new revised standards – the MSPO 2021 series. The new MSPO standards addresses forced or trafficked labor in alignment with the International Labor Organization (ILO)'s 11 indicators of forced labor amongst other things. One key difference: the update to the standard places a new, clearer and declared responsibility on the certified company when it comes to contracted workers. The MSPO requirements provide no ambiguity in terms of requirements towards workers. Simply, a sub-contracted worker for a company is treated the same as a direct employee, and the certified company bears all responsibility.

- The Malaysian Palm Oil Association (MPOA) – a trade association representing the largest palm oil companies – recently announced the Responsible Employment Charter that sets out multiple other reforms that the private sector is undertaking to demonstrate its good labor practices - such as ending recruitment fees for foreign workers, among many other examples.



Click this link for full report <https://www.mypalmlaborfacts.com/wp-content/uploads/2022/06/MPOC-Analysis-2022.pdf>