

Chairman's Message Eric Kiu Kwong Seng



Dear Members,

As my tenure as Chairman of SOPPOA comes to an end after two fulfilling terms since my election in June 2021, I would like to take this opportunity to express my deepest gratitude to all members, industry partners, and stakeholders for your unwavering support and commitment.

Over the past four years, we have navigated significant challenges, from market uncertainties and regulatory changes to labor shortages and sustainability demands. Yet, through collective effort, SOPPOA has strengthened its role as a key industry voice, advocating for fair policies, fostering collaboration, and driving initiatives that enhance the competitiveness of East Malaysia's palm oil sector.

One of our most notable achievements has been elevating industry engagement with government agencies and policymakers. SOPPOA has actively championed tax reform, sustainability frameworks, and workforce policies that reflect the realities faced by our members. Our collaboration with research institutions and energy stakeholders has also opened new avenues for innovation in biomass utilization and renewable energy.

As I step down after the 17th AGM, I am confident that SOPPOA will continue to thrive under new leadership. The foundation we have built together will serve as a strong platform for future progress. I urge all members to remain actively involved, as the industry's collective strength is crucial in shaping policies that safeguard our long-term sustainability and growth.

Thank you once again for your trust and cooperation. It has been a privilege to serve as your Chairman.

Happy reading!





SOPPOA Palm Oil Management, Technology, Exhibition & Conference (POMtec) 2025 On 18-19 Feb



Palm Oil Management, Technology, Exhibition & Conference

Theme:

Streamlining **Cross-Sector Operations** and Innovations For Sustainable Growth

Participant can register here: www.soppoa.org.my/pomtec2025/

18-19 February 2025 Pullman Hotel Miri, Sarawak

For enquiries please contact: Secretariat
Sarawak Oil Palm Plantation
Owners Association (SOPPOA)
Tel: 082-236872
Email: pomtec2025@soppoa.org.my





1. Introduction

The Palm Oil Management, Technology, Exhibition & Conference (POMtec) 2025 is a premier industry event organized by the Sarawak Oil Palm Plantation Owners Association (SOPPOA). Building on the success of its inaugural edition in 2023, which focused primarily on palm

oil milling technology, POMtec 2025 expands its scope to encompass the entire palm oil supply chain - from seed production and plantation management to processing and sustainability practices.

With the theme "Streamlining Cross-Sector Operations and Innovations for Sustainable Growth", POMtec 2025 aims to enhance efficiency, sustainability, and technological advancements in the industry. The conference brings together industry leaders, policymakers, researchers, and technology providers to discuss key challenges and opportunities in the palm oil sector, with a strong emphasis on digital transformation, mechanization, and ESG compliance.

Featuring high-level panel discussions, technical presentations, and an exhibition showcasing the latest innovations, POMtec 2025 serves as a crucial platform for knowledge-sharing. networking, and collaboration, reinforcing Malaysia's commitment to sustainable and competitive palm oil production.



2. Chairman's Opening Remarks

In his opening remarks at POMtec 2025, SOPPOA Chairman extended his heartfelt gratitude to YB Datuk Chan Foong Hin, Deputy Minister of Plantation and Commodities, for graciously representing YB Datuk Seri Johari Bin Abdul Ghani, Minister of Plantation and Commodities, to officiate the opening of this prestigious event.

He emphasized that YB Datuk Chan's presence reflects the Ministry's dedication to fostering industry growth, sustainability, and innovation. His participation underscores the crucial role of policy support, technological advancements, and industry collaboration in ensuring Malaysia's palm oil sector remains globally competitive.

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As Malaysia navigates market challenges, sustainability requirements, and technological advancements, the Chairman reiterated SOPPOA's appreciation for government's proactive engagement with industry stakeholders.

He expressed confidence that continue collaboration between the government, industry players, and research institutions will drive meaningful progress toward a more resilient, sustainable, and competitive palm oil sector.

The Chairman also reaffirmed SOPPOA's commitment to working closely with the Ministry to address industry challenges, support research and development, and promote best practices in sustainability and productivity.



3. Sponsor 100 Students

As part of its commitment to nurturing the next generation of palm oil professionals, SOPPOA has sponsored 100 students from local institutions to attend POMtec 2025. This initiative aims to provide students with first-hand exposure to industry challenges, technological advancements, and career opportunities within the palm oil sector

By engaging with industry leaders, policymakers, researchers, and technology providers, the student gain valuable insights into supply chain operations, sustainability efforts, and innovations shaping the future of the industry. The sponsorship emphasizes SOPPOA's dedication to bringing the gap between academia and industry, ensuring that future professionals are equipped with the knowledge, skills, and networks needed to contribute to the sector's sustainable growth.

Through this initiative, SOPPOA hopes to inspire and empower the next generation to drive innovation, sustainability, and excellence in the palm oil industry, ensuring its long-term resilience and competitiveness on the global stage.



4. YB Deputy Minister's Keynote Address

In his keynote address at POMtec 2025, YB Datuk Chan emphasized the importance of sustainability, technological advancement, and cross-sector collaboration in ensuring the long-term growth and global competitiveness of Malaysia's palm oil industry. He commended SOPPOA for organizing this premier platform for industry leaders, policymakers, researchers, and stakeholders.

2.1 Malaysia's Palm Oil Industry: A Key Economic Driver

Malaysia has long been a global leader in palm oil production, contributing significantly to Gross Domestic Product (GDP) and providing employment to thousands of smallholders and industry players. According to the Malaysian Palm Oil Board (MPOB), Malaysia's export of palm oil and palm-based products in 2024 totaled 26.66 million tonnes, valued at RM109.33 billion. However, with evolving global demands and challenges, the industry must continue to adapt its approach to sustainability, efficiency, and innovation to remain competitive.

2.2 Government Commitment to Sustainability

The Malaysian government remains steadfast in its commitment to sustainable palm oil production. This is reflected in the National Agricommodity Policy 2021-2030 (DAKN 2030), which aligns with the Ministry of Plantation and Commodities' strategic direction to ensure that the agricommodity sector remains environmentally responsible and economically viable.

A key initiative in driving sustainability is the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The scheme, which became mandatory on 31 December 2019, ensures that palm oil production adheres to strict environmental, social, and economic standards. The latest revision, MSPO 2.0, further strengthens sustainability efforts by addressing global market requirements.

"The MSPO Certification Scheme is a vital tool for ensuring the global recognition and acceptance of Malaysian palm

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oil. I encourage all industry players to actively engage in promoting and implementing MSPO-certified practices," said YB Datuk Chan Foong Hin during his keynote address.

2.3 Strengthening Cross-Sector Collaboration for Industry Growth

As the palm oil sector faces challenges such as market competition, environmental concerns, and regulatory compliance, cross-sector collaboration is essential to ensuring its long-term sustainability. The government calls on industry players, research institutions, and policymakers to work together to:

- Enhance efficiency and productivity by streamlining operations,
- Strengthen research and innovation to support long-term growth, and
- Ensure compliance with international sustainability standards to boost market confidence.

2.4 Technology & Innovation: The Key to Future-Proofing the Industry

"Innovation is the backbone of sustainable development," emphasized YB Datuk Chan Foong Hin, as he highlighted the role of digital transformation, mechanization, and automation in improving the industry's competitiveness.

- Precision agriculture allows for better resource management, increasing yield while reducing environmental impact.
- Digital traceability solutions enhance transparency and boost consumer confidence in Malaysian palm oil.
- Mechanization and automation—including automated harvesting tools, mechanized transportation, and drone technology—are critical to improving productivity and reducing dependence on foreign labor.

2.5 A Collective Effort Towards Sustainable Progress

The Deputy Minister reaffirmed the government's commitment to supporting industry players through policies that encourage investment in research, facilitate industry collaboration, and uphold sustainability standards. However, he stressed that the private sector must also take proactive steps to:

- Adopt best practices,
- Embrace new technologies, and
- Work collectively to drive sustainable growth.

"The future of the Malaysian palm oil industry lies in our hands. Only through innovation, collaboration, and sustainability can we ensure that this industry remains a pillar of economic prosperity while safeguarding the environment for future generations," he concluded.





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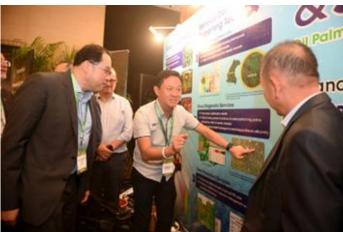
















E-NEWSLETTER

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SESSION 1

Overview of the Palm Oil Industry: Trends, Challenges, and Opportunities

By Datuk Dr. Ahmad Parveez Hj. Ghulam Kadir, Director General, Malaysian Palm Oil Board

Navigating the Challenges in the Supply Chain: From Upstream to Midstream

By Mohd Haris Mohd Arshad, Group Chief Operating Officer, SD Guthrie Bhd

Genetic Gain in Time and Cost: Guide to Method Deployment for Crop Improvement – AAR Perspective

By Mr. Wong Choo Kien, Principal Plant Breeder, Advance Agriecological Research Sdn Bhd

Optimizing Growth: Traditional Nursery Practices Enhanced with Digital Monitoring Tools By Mr. Mohanraj, Research Controller, IOI Research Center, Sabah



SESSION 2

Labor Challenges in Palm Oil Producing Countries: Comparative Analysis and Technological Solutions for Optimizing Productivity

By Roslin Azmy Hassan, Chief Executive, Malaysian Palm Oil Association

Importance of Land Preparation for Efficiency and Productivity

By R. Thayaparakanthan, Technical Committee Chairman, Mechanization & Automation Research Consortium of Oil Palm

Pest and Disease Management: Leveraging Technology for Early Detection and Control

By Ho Shui Hing, Director of Research, United Plantation Bhd

From Soil Health to Advanced Fertilizer Technologies: Practical Strategies for Sustainable Oil Palm Cultivation

By Woon Soo Ann, Regional Sales Director, Behn Meyer AgriCare (M) Sdn Bhd

The Journey Towards Mechanized Harvesting: Balancing Labor and Technology

By Wan Nisal bin Wan Sembok, Senior Field Audit Manager, Sarawak Plantation Bhd



SESSION 3

Maximizing Yield through Digital Plantation Management Systems

By Leslie Ong, Director, Ongs Properties Sdn Bhd

Achieving High OER and KER: Combining Traditional Milling Techniques with New Technologies

By Lee Hock Leang, Project Director, Sigma Solaris Sdn Bhd

Reducing the Carbon Footprint in Palm Oil Mills: Pathways to Sustainability

By Dr. Loh Soh Kheang, Head of Energy and Environment Unit, Malaysian Palm Oil Board

By-Product Management in Milling: Combining Traditional Methods with Bioconversion Technology

By Chang Chow Swan, Director & General Manager, Kim Loong Bhd

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6. Closing Remarks by Minister MFICORD

MIRI, 19 FEB: Kerajaan Sarawak menerusi Kementerian Industri Makanan, Komoditi dan Pembangunan Wilayah (M-FICORD) berhasrat mewujudkan Jabatan Pengairan dan Saliran khusus untuk sektor pertanian yang dikenali sebagai DID Farm bagi memastikan sistem pengairan padi dapat dikendalikan dengan lebih berkesan.

Menteri Industri Makanan, Komoditi dan Pembangunan Wilayah Sarawak, Dato Sri Dr Stephen Rundi Utom berkata, sistem pengairan dan perparitan (DID) memainkan peranan penting dalam memastikan kelestarian tanaman padi.

"Kita memerlukan jurutera yang benar-benar pakar dalam bidang ini bagi meneliti sistem pengairan dan perparitan yang sesuai untuk pertanian. Sekinchan dan Kedah telah berjaya melaksanakannya dan Sarawak juga berpotensi untuk berbuat demikian," katanya semasa berucap di Majlis Penutupan Persidangan Pengurusan Minyak Sawit, Teknologi dan Pameran (POMtec) 2025 di sini hari ini.

Selain itu katanya, kerajaan negeri juga sedang meneroka penggunaan jentera penuaian prototaip bagi meningkatkan kecekapan proses penuaian dan mengurangkan kebergantungan kepada tenaga kerja asing.

"Kami telah meninjau jentera dan tenaga kerja di Indonesia tetapi proses mendapatkan pekerja agak sukar kerana pelbagai sekatan dan birokrasi. Oleh itu, dengan adanya prototaip jentera baharu ini, kita boleh mengoptimumkan mekanisasi penuaian dan menjadikannya lebih efektif," jelas beliau.

Menurut beliau, kemajuan sektor pertanian negeri bergantung kepada keupayaan untuk menerima dan menyesuaikan diri dengan teknologi moden.

Beliau menambah, beberapa pihak seperti Lembaga Penyatuan dan Pemulihan Tanah Sarawak (SALCRA) dan Institut Penyelidikan Dan Kemajuan Pertanian Malaysia (Mardi) juga sedang giat memperkenalkan kaedah pertanian moden yang lebih cekap dan berdaya maju.

"Dengan usaha berterusan untuk memodenkan sektor pertanian, saya yakin kita akan melihat masa depan yang lebih cerah bukan hanya untuk industri pertanian tetapi juga bagi seluruh sektor agro di Sarawak," katanya. – TVS







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7. News Headlines

SOPPOA taja 100 pelajar sertai POMtec 2025

MIRI, 18 Feb: Persatuan Pemilik-Pemilik Ladang Kelapa Sawit Sarawak (SOPPOA) menaja 100 pelajar dari institusi pengajian tempatan menyertai Palm Oil Management, Technology, Exhibition and Conference (POMtec) 2025.

Pengerusinya Eric Kiu Kwong Seng, berkata inisiatif ini memperkukuh komitmen mereka untuk merapatkan jurang antara ahli akademik dan industri, serta menggalakkan penyelesaian berasaskan penyelidikan untuk pertumbuhan jangka panjang. "Untuk menyokong pembangunan profesional industri masa depan, POMtec 2025 secara aktif melibatkan pelajar dengan memberikan pendedahan kepada cabaran industri, inovasi dan peluang kerjaya.

"Kehadiran anda mencerminkan masa depan cerah sektor minyak sawit, dan kami komited untuk menyokong perjalanan anda menjadi generasi profesional industri yang akan datang," katanya pada majlis perasmian POMtec 2025 di sini, hari ini. Majlis perasmian disempurnakan Timbalan Menteri Perladangan dan Komoditi Datuk Chan Foong Hin. POMtec 2025 telah mengambil langkah penting ke hadapan dengan meluaskan skopnya untuk merangkumi keseluruhan rantaian bekalan minyak sawit, dari aspek pengeluaran benih dan pengurusan semaian kepada operasi perladangan dan teknologi pengilangan. - TVS





MIRI, Feb 19: The Sarawak government continues to strive to defend the state's palm oil industry following increasing challenges including new European Union (EU) regulations on deforestation-free products for selected commodities.

Sarawak Food Industry, Commodity and Regional Development Minister, Dato Sri Dr Stephen Rundi Utom said that EU sanctions targeting commodity products such as palm oil, rubber, cocoa and pepper are affecting the local industry, especially in terms of agricultural land expansion.

"Not only Malaysia, but other countries such as Indonesia and Canada are also working hard to defend their commodity industries from EU sanctions," he said when met by the media after the Closing Ceremony of the Palm Oil Management, Technology and Exhibition Conference (POMtec) 2025 here today.

He stressed that until now there has been no final decision from the EU on the ban, but the state government will continue its efforts to ensure that the palm oil commodity industry continues to provide returns to the people.

"This is important to ensure that the low-income group (B40) can get out of poverty. If this industry is blocked, it will have a major impact on this group," he said.

He added that Sarawak's palm oil industry contributed more than RM1 billion to the state's economy last year with smallholders enjoying encouraging results.

Therefore, he hopes that stakeholders in the palm oil industry can continue to support the development of this sector to ensure that it remains one of the main sources of Sarawak's economy.

"Compared to other crops such as rambutan and durian which are seasonal, palm oil provides more stable returns," he said.

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▲种植及原产鱼部副部长陈泓绿(右六)在2025年油棕管理、技术、

行榜生仪式。

陳泓縑:利益相關者合作 創新永續發展油棕業

(美里19日讯)种植及 原产业部副部长拿督陈泓缣指 出,油粽产业的未来取决于政 府、业界及主要利益相关者的 紧密合作,大家透过创新与水 续实践,才能提升效率,满足 全球贸易标准, 并巩固大马作 为负责任油棕生产国的领导地 10.

陈泓遗昨晚在2025年油棕 管理、技术、展览与会议晚宴 上致词时表示、从开创永续发 展实践到推动技术创新, 大马 油棕产业者一直努力确保我国 油棕产业在全球市场上持续保 持领先地位。

陈泓缣称, 大马油棕产业 者的贡献不仅促进国家经济成 长, 也提升大马在国际市场上 的声誉

他说,在当前全球快速变 迁的时代, 大家必须持续拥抱 创新与永续发展。政府的坚定 支持有助于产业负责任发展的 政策,提升生产力,并巩固大 马作为全球重要原产业国家的 地位

他续说, 透过研究机构



陈泓绿 (左二) 颁发表扬奖予各油棕产业者。 左为砂油棕 种植业者协会主席邓冠森

与业界的警察合作、加大研发 投资及推动数位转型、大家能 够共同克服挑战,把握新的机 遇。推动产业的发展与永续经

技术机械化增竞争力

陈泓塘披露, 政府将持续 支持技术发展与机械化、确保 在市场上保持竞争力, 同时实 现环保目标。

他坦言,大家仍面对劳工 短缺、贸易壁垒与错误讯息等 挑战,但挑战也是机会,只要 大家携手合作,就能开发解决 方案,推动产业进步

他鼓励大家善用2025年油 棕管理、技术、展览与会议的 平台、建立合作伙伴关系、共 阿开创更美好的未来。

陈泓绿透露, 当晚不仅是 在庆祝成就, 更是重申对产业 发展的承诺, 以卓越、责任与 创新为核心, 共同迈向更光明 的未来, 并坚信在大家的努力 下,将持续取得更大的成功。

倫迪:貢獻85%收入

《美型19目录》符合品工业、原产业与区域发展部 在全有新型史等等位地数据。油粒产业是特权基化评的 重要支柱,有数80至85%的收入。特权器必须持续推动 油粽上下游产业的发展,口提升产品价值。确保产业链

的完整性与可持续性。 史·布洛伦德令早在2025年通信管理。科技、 会议预算权式上致同时表示。於拉維的农业发展由取诺 多挑战,尤其是在中部地区的下面生产与销售环节。 "为了应对国际市场需求、政府将持续提升油程产

5.70至广庆层与广量、并积极差动能器与生物化产业的发展。以确保该产业的长远竞争力。 他提高、为了确保油程产业的未过发展、砂粒有差 积极采取储地、以减少亏损并提升农业与原产业的竞争 为。同时优化资源分配、企业差动农业产业的提升与转型。

推双季种植 增稻米产量

受哥芬伦迪称、在粮食安全方面。政府计划提升航 产效率、每年推动双季种核计划、并投入10亿令方

改善基本设施。提用农业科技为生产力 他认为。或明的交人至关系需。通过投款与政策支持确位安全项目的领料维与与长达关键。 他说、其选区有不少农民选择及种油标。其业部

分析而已被改为油粽种植地。因为油粽种植相样容易。 植术将作较为复杂。政府已划定40公顷土地为相用保护 区、口桶保能水生产不受影响。

原产品 粮食作物须平衡

史带芬伦迪技说、政府不仅关注油程产业、也积极 推动食品工业的发展,并强调农业领域必用优先发展创



新与研究。以应对未未挑战、确保产业的水线发展

史等芬伦迪德出、移拉越需要在原产品与粮食作物 之何取得于衡、以应对全球粮食危机、推动食品产业的

他逃窜,砂粒越已被世界银行州为高收人郑属。 若要扩展下前市场与广总价值值。约需要更积效的效果 与价值单推动产业支援。 "政府制定的2030年后短剩疫损发规策略涵盖收

会、基本建设、中小企业发展及进路建设等领域、开将 通过规则企与推场偿施、推动农业公司更高水平。 他称、经行规地广勃排、积地报源作对农业发展构

成一定挑战。政府计划引进新兴农业科技、加工人机准

類系使, 以股升农业生产力。 他早何, 以役害一同才能完成的策氮工作, 如今选 过无人机技术、只需一个时即可完成。大幅提高农业效

史带芬伦迪希望通过政府与企业的繁聚会作、推动 砂拉越内陆地区农业现代化、让更多内陆地区人民积极 参与产业转型、实现互惠互利、共同后向繁荣的农业未



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36th PALM & LAURIC OILS PRICE OUTLOOK CONFERENCE & EXHIBITION (POC2025) ON 24-26 FEB



Malaysia Strengthens Commitment to Sustainable Palm Oil and Market Growth- Johani

Kuala Lumpur – The 36th Palm & Lauric Oils Price Outlook Conference (POC2025) commenced today at the Shangri-La Hotel, Kuala Lumpur, with an optimistic yet strategic keynote address by YB Datuk Seri Johari Bin Abdul Ghani, Minister of Plantation and Commodities. The minister outlined Malaysia's key priorities in the palm oil industry, emphasizing sustainability, economic growth, and technological integration as pillars for the sector's future.

Strong Market Performance and Demand Boom

The minister highlighted the strong market performance of the palm oil sector in 2024, noting a 9.7% increase in the average crude palm oil (CPO) price, reaching RM4,179.50 per tonne compared to RM3,809.50 in 2023. December 2024 saw an even higher peak, with an average price of RM5,119.50 per tonne.

"We have seen a demand boom in this sector due to increasing affluence in developing countries and sizable youth populations, especially in Africa, as well as South and Central Asia," Datuk Seri Johari stated. He also pointed out the impact of Indonesia's biodiesel mandate, which utilizes 25% of its 48 million metric tons of CPO production for biodiesel.

Adding to the positive market developments, palm oil prices have consistently remained higher than other major vegetable oils, such as soybean and sunflower oil, a phenomenon the minister described as "unprecedented" and a potential game-changer for the industry.

Sustainability and the European Union Deforestation Regulation (EUDR)

A key highlight of the minister's speech was Malaysia's proactive approach towards the European Union Deforestation Regulation (EUDR). While welcoming the year-long postponement of the regulation to December 30, 2025, he reaffirmed Malaysia's stance as a trusted supplier of sustainable and high-quality palm oil.

"The large companies and estates that manage roughly 73% of palm oil-planted areas in Malaysia are well-positioned to comply with the regulations," he assured. The government has been actively engaging with international policymakers to address concerns and counter negative perceptions about palm oil.

Government Interventions and Labour Issues

Addressing domestic industry challenges, the minister acknowledged the persistent issue of labor shortages in palm oil plantations. He emphasized the government's efforts to coordinate with the Ministry of Home Affairs and the Ministry of Human Resources to reopen foreign worker quotas while ensuring compliance with International Labour Organization (ILO) standards.

Additionally, Malaysia's palm oil exports saw a 12% increase in 2024, reaching USD 26 billion (RM 114.4 billion), up from USD 22 billion (RM 102.1 billion) in 2023. This growth was supported by increased CPO production, which hit 19.3 million metric tons, the highest level in the past six years.

Replanting and Increasing Yield for Long-Term Sustainability

Despite positive industry trends, the minister acknowledged challenges in replanting rates, a critical factor for sustaining high yields. He revealed that only 114,000 hectares, or 2.0% of total planted areas, were replanted in 2024, falling short of the recommended 4-5% annual target (285,000 hectares per year).

"Replanting is a critical issue that must be tackled immediately as it directly impacts the industry's long-run sustainability," he warned. The government, through the Malaysian Palm Oil Board (MPOB), will conduct random checks on nurseries to ensure only high-quality planting materials are used, protecting smallholders from fraudulent practices.

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"Replanting is a critical issue that must be tackled immediately as it directly impacts the industry's long-run sustainability," he warned. The government, through the Malaysian Palm Oil Board (MPOB), will conduct random checks on nurseries to ensure only high-quality planting materials are used, protecting smallholders from fraudulent practices.

Technological Advancements and Artificial Intelligence in Palm Oil Processing

The minister strongly advocated for the adoption of artificial intelligence (AI) in palm oil mills to enhance efficiency, reduce costs, and minimize reliance on foreign workers.

"A decades-old palm oil mill, with a capacity of roughly 45 tons per hour, can save up to USD600,000 (RM2.7 million) annually through efficiency improvements and reduced maintenance costs," he noted.

Malaysia is committed to boosting research and development, consolidating smallholdings, and promoting Good Agricultural Practices (GAP) to improve productivity in the long term.

Leading Global Supplier of Sustainable Palm Oil

Reaffirming Malaysia's global leadership in sustainable palm oil, the minister pointed to the recent inclusion of the Malaysian Sustainable Palm Oil (MSPO) certification on the International Trade Centre (ITC) Standards Map, marking a milestone in international recognition.

"Starting January 1, 2025, the upgraded MSPO 2.0 benchmark has come into effect, incorporating the High Conservation Value (HCV) approach, a greenhouse gas (GHG) calculator, and enhanced responsible labor practices," he said, emphasizing Malaysia's commitment to sustainability.

Additionally, the government is supporting smallholders in achieving EUDR compliance through direct training, roadshows, and financial assistance for MSPO certification costs.

Net-Zero Carbon Goals and Palm Oil as a Renewable Energy Source

Malaysia remains committed to achieving net-zero carbon emissions by 2050 and ensuring at least 50% forest cover is retained, in line with global climate commitments. The minister highlighted palm oil's carbon absorption potential, noting that mature plantations sequester 3.1 tons of carbon per hectare annually, significantly outperforming soybean, rapeseed, and sunflower.

He also emphasized palm oil's role in sustainable aviation fuel (SAF) production, positioning Malaysia as a future leader in biofuel development. "Within the next decade, all palm oil mills and refineries are expected to operate using renewable energy," he projected. – wilayah.com.my







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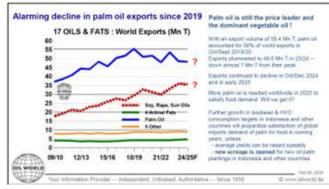
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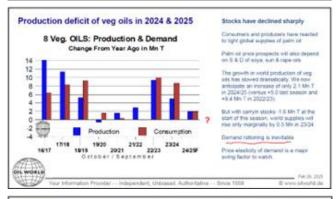
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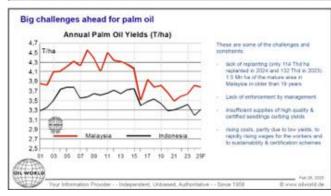
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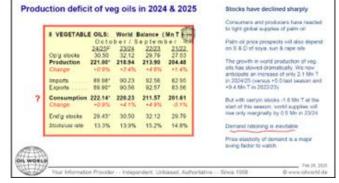
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36th Annual POC 2025 in Kuala Lumpur on 25-26 Febr 2025

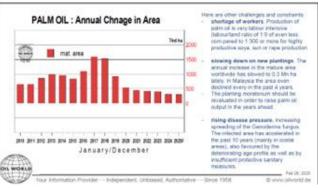
Thomas Mielke, ISTA Mielke, Oil World,
Global Market Research on Oilseeds, Oils and Meals
thomas mielke@oilworld.de



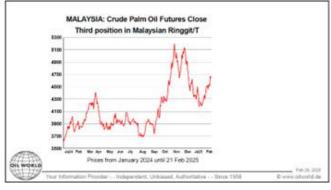


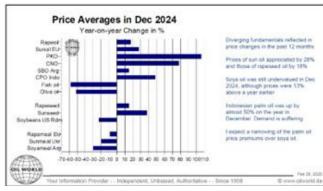


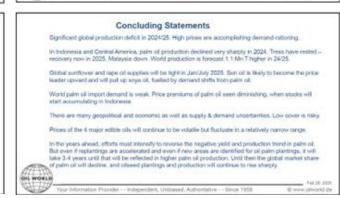






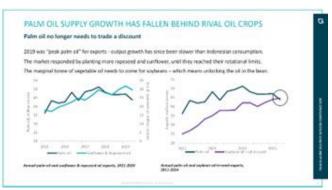


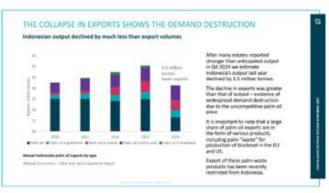


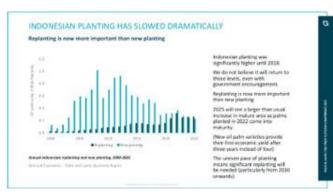




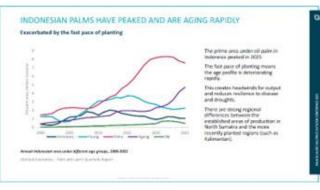


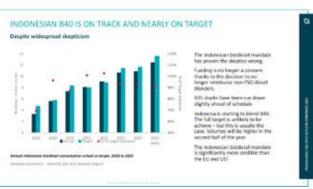


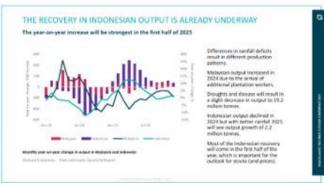








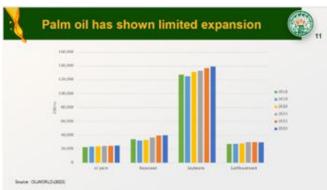








Stagnation in Production: Trilemma Indonesian Palm Oil Industry

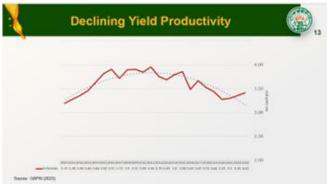


Exports Biofuel Food

Exports vs Biofuel:
 Exports decline as biofuel mandatory increases.
 This creates financing problem for biofuel program and sustainability of BPOPKS.

 Food vs Biofuel:
 As blending biofuel increases, price in international market goes up, and in turn this transmit to an increase in domestic cooking oil. prices in addition how to balance this with growing demand for food.

3. Exports vs Food: The need to mu exports fulfilling the growing demand for food and industry.



Domestic Market Obligation for Cooking Oil



- Indonesia continues to implement the Domestic Market Obligation (DMO) policy for cooking oil to ensure domestic supply and stabilitie prices. Under this policy, producers are required to allocate a portion of their production for the domestic market before being permitted to export. Current DMO ratio is 1.4 and there is additional downstream palm products that require DMO namely POME. HAPOR and empty first burion (EFB). Previously there were four downstream palm oil products subject to DMO. CPO. RBDPO. RBDPD. and UCO. Also there is additional incentive for exporters who distribute cooking oil to various regions in Indonesia, packaging, and state own enterprises distributor. The so called multiplying factor is added as many as 1.3-1.05 for regional, 2,0-2.25 for packaging and 1.2 for state own enterprises distributor.

 The government adjusted the DMO scheme by resimple price cap for domestic cooking oil to 15.700 rupish per filter from the previous 14.000 rupish. Additionally, the DMO target was revised to 20.000 metric tons per month, down from 300,000 metric tons.

 This policy is somehow restricted and it impacts competitiveness of the industry since government cap cooking oil price lower than it market prices. Another question, What government does if there is sowing demand for cooking oil during Ramadhen?

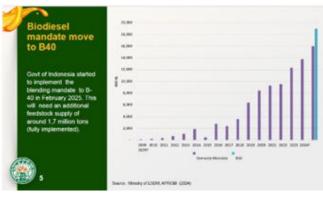
Production Cost Increase Higher than Price Increase 12,000

Mandatory Biofuel Policy

- Indonesia has implemented a mandatory biodiesel blending policy of 840 to recluce reliance on imported desel and promote the use of domestically produced palm oil. The government committed to implementing a 40% biodiesel blend starting January 1, 2026. However, the implementation just started this February 2025. Looking alread, indonesia plans to increase the biodiesel blend to 50% by 2026.
- The government's target volume for biodiesel in 2025 has now been confirmed at 13.6 million mt (15.6 million kt). However, this will not be achieved considering the full implementation started later this year.

 Government infroduce new policy in which only blottle for PSO (Public Service Obligation) being subsidized, while for non-PSO on lift have market price. The allocation is divided as follows: Public tlenvice Obligation (PSO): 7.55 million Kt, and Non-PSO: 8.07 million Kt.
- With this policy, Indonesia's Palm Cill Fund (BPDP) have adequate funding assuming that on average the amount of subsidy at the range of 3000-3500 ruplah per liter. Thus there is no need for revising export levy this year.
- The government put mechanism to monitor the implementation of biofuel for non-PSO ensuring that the blenders (both state own enterprises and private) comply with the regulation including penalty.
- The question: What policy adjustment have to be made when government increase blending policy to B50 hext year? Whether the continue increases in biofuel blending give net social benefits compared to the outent blending in 2023 (835).

| Outlook | Description (in 1000 Ton) | 2023 A | 2024 A | 2025 F |
|--|-----------------------------------|--------|--------|--------|
| 2024-2025 | PALM PRODUCTION | 54.844 | 52,762 | 54.500 |
| Outlook 2023-2024: | CPO PRODUCTION | 50,069 | 48.164 | 50.000 |
| Production : 52,762 (- 3,7%) | PKO PRODUCTION | 4.775 | 4.598 | 4.500 |
| Consumption : 23.859 (+ 2.7%) | DOMESTIC CONSUMPTION | 23.213 | 23.859 | 27,360 |
| • Export: 28.50 (-8.4%) | F000 | 10.298 | 10.205 | 11.100 |
| Price: US \$ 1,064 (CIF Rotterdam) | OLEOCHEMICAL | 2.268 | 2.207 | 2.360 |
| Outlook 2024-2025 : | BIODIESEL | 10.467 | 11.447 | 13 600 |
| Production: 54.5 (+3,3%) | EXPORT | 32,215 | 29.501 | 27.350 |
| Consumption : 27,360 | CPO • RBD | 3.262 | 23.367 | 21,200 |
| (+14,7%) • Export : 27,2 (-7,7%) | PALM KERNEL | 1.242 | 1.300 | 1,400 |
| Price: US \$ 975-1050 (CIF | BIODIESEL | 306 | 73 | |
| Rotlerdam) | OLECHEMICAL | 4,638 | 4.763 | 4.900 |
| 28 | DANIE CAPEL APPOOL CHES ARES APOL | | | |



Closing

- There are two important policies namely DMO and biofuel mandates that impact performance and competitiveness of the palm oil industry. In addition, in the mid of stagnation of production these policies create trilemma among exports, food and biofuel
- Production of paim oil shows declining trends due the stagnation of productivity and increasing cost of production. In 2024 production also dropped due to the El Nino but it
- will be recovered next year.

 The key to address this is to increasing productivity and production. Greater efforts are needed to accelerate the replanting of aging plantations and rehabilitation of the unproductive plantations.
- Palm oil loose its price competitiveness due other vegetable oils due to the lack of
- supply and increasing cost of production.

 The mandatory biodiesel program is beneficial for Indonesia, however, the continuity and sustainability of the biodiesel program requires the policy mix that gives maximum net social benefits to the economy as a whole and the adequacy of supply and funding.



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UOBKAYHIAN: Highlights by Key Speakers During PALM & MAJOR OILS SESSION in POC 2025:

1. Thomas Mielke, Executive Director, Oil World Declining Growth in Palm Oil Output

- Malaysia: Stagnant production due to declining mature areas over four years.
- Indonesia: Output fell sharply in 2024 but is recovering in 2025.
- Global production: Projected to grow by only 1.1 MMT in 2024/25, well below past levels.
- Challenges: Aging plantations, slow replanting, labor shortages, Ganoderma fungus, climate risks, and planting restrictions.

Price Forecast

- Current bullish fundamentals are priced in, with potential downside.
- Palm oil's price premium over soybean oil expected to narrow in 1–3 months.

2. Ms. Emily French, Founder & CEO, Global Protein AG Soybean

- Production: Brazil & U.S. to add +21.6 MMT in 2024/25.
- Supply cushion: 111.7 days of consumption, ensuring a well-supplied market.
- Demand: Forecast at 406.2 MMT (+21.9 MMT YoY), with ROW imports at 70.2 MMT (+4.1 MMT).
- China: Crush capacity at 103 MMT (+4 MMT), but economic slowdown and weaker feed demand pose risks.

Soybean Meal (SM)

- Demand to rise by 11.1 MMT, but concerns over China's lower inclusion rates, stagnant sow herds, and weak consumer demand.
- Prices may retest \$280/ton, with further downside possible. Sub-\$250/ton could boost U.S. feed demand.

Soybean Oil (BO)

- U.S. biofuel policy uncertainty (under potential Trump administration) impacts pricing.
- If U.S. biofuel incentives drop, BO demand may weaken.
- BO remains competitive if priced below palm oil.



3. Dr. Julian Conway McGill, Managing Director, Glenauk Economics

- Recovery in Palm Oil Production
 - Indonesia: Higher rainfall in 2025 to boost output by +2.2 MMT.
 - Malaysia: Slight output decline due to drought and disease (19.2 MMT est.).
 - Most of the Indonesian recovery will happen in the first half of 2025, impacting stock levels and prices.
 - Stocks have been increasing since Q4 2024, driven by better output and high prices making palm oil uncompetitive in exports. Peak stock levels expected in April 2025, which will spill over into Malaysia via imports.

Price Forecast

- Palm oil prices expected to weaken in H1 2025, reaching 4,000–4,200 MYR/ton by July.
- A rebound is likely in H2 2025 as demand stabilizes and stocks decline.

4. Mr. Dorab Mistry, OBE, Director, Godrej International Limited

- Palm oil production in 2024 was weak, but expected to be better in 2025
- Indonesia: Expected output increase of at least +2 MMT in 2025.
- Policy Changes: Eliminating fraudulent UCO/waste oil practices may improve supply transparency.
- Moratorium: Lifting Indonesia's plantation restrictions is suggested for sustainable expansion.
- Stock Tightness: Early 2025 shortages due to 2024's weak output and delayed B40 biodiesel mandate, but supply to improve post-March.

Price Forecast

- BMD third-month futures: RM 4,000-4,600 until March 31, 2025, amid tight supply.
- April-November 2025: Prices may drop to RM 3,600-4,100 as production increases post-Ramadan, restoring competitiveness.

18

MSPO-INDUSTRY MEETING ON 14 MAR

MSPO 2.0 Key New Elements

The MSPO Standard supports the Sustainable Development Goals (SDG) 2030 by incorporated the elements into the revised Standard.

Introducing & Incorporated the High Conservation Value (HCV) approach to major part of the palm oil industry.

> Introducing & Incorporated the Social Impact Assessment (SIA) approach to all level of the MSPO Standard User.



Introducing & Incorporated Green House Gas Calculation (GHG) for the entire supply chain.

New Planting cut-off date 31st December 2019 and no conversion of HCV area, protected area and natural forest.

- · ILO Forced Labour Indicators
- . ILO Decent Work Agenda
- · Triangular Employment

1. Background

The Malaysian Sustainable Palm Oil (MSPO) certification scheme continues to evolve, with MSPO 2.0 marking a significant step in ensuring industry-wide compliance with global sustainability standards, including the European Union Deforestation Regulation (EUDR). In a recent meeting between MSPO and key palm oil industry associations, discussions focused on capacity-building initiatives, industry collaboration, and addressing compliance challenges.

2. Welcoming Remarks by Chairperson

The meeting commenced with welcoming remarks from Mr. Hafizin Tajudin, CEO of MSPO, who emphasized the importance of industry collaboration in facilitating a smooth transition to MSPO 2.0. He emphasized that the meeting aimed to align efforts across sector, ensuring industry players receive adequate support through workshops, technical consultancy, and engagement with regulatory bodies. The ultimate goal is to enhance MSPO 2.0 implementation while meeting international sustainability requirements.

3. MSPO 2.0 Rollout and Capacity-Building Initiatives

As part of the MSPO 2.0 implementation strategy, a comprehensive capacity-building initiative has been introduced, including over 20 workshops to be conducted nationwide between April and November 2025. These workshops are designed to provide hands-on guidance to industry stakeholders, with MSPO engaging consultants to offer technical support to industry associations.

To further strengthen the industry's preparedness, MSPO is advocating for targeted, association-led-capacity-building programs, with MSPO playing a supporting role. Additionally, the organization will consult Jabatan Standard Malaysia (JSM) to determine if the National Steering Committee (NSC) 24 needs to adopt specific guidelines or guidance documents, as its current scope is limited to standards development.

4. EUDR Compliance and Industry Concerns

A key focus of the meeting was aligning MSPO 2.0 with EUDR requirements, particularly in areas such as the cut-off date, labor conditions, land legality, and traceability.



While significant progress has been made, gaps remain, especially concerning polygon mapping for estates. To address this, collaboration with the Malaysian Palm Oil Board (MPOB) is underway to implement GeoSawit, a geospatial mapping tool that will enhance compliance and improve data accuracy.

Dealer Certification Profitation designed by the Control of the Co

5. Polygon Mapping and Data Sharing

The discussion also touched on legal restrictions related to polygon mapping data and the need for clarity on what mapping data can be shared and how. MSPO and industry stakeholders are awaiting further direction from the government on data-sharing protocols to ensure compliance while protecting industry interests.

6. Collaboration with Industry Associations

Recognizing the vital role of industry associations, MSPO will tailor workshop content and schedules in consultation with key stakeholders. The recommended workshop size is between 30 and 50 participants to ensure effective engagement and learning outcomes. The training programs will be structured into two streams: MSPO-led sessions and association-led initiatives with support from MSPO consultants. These capacity-building efforts aims to supplement, rather than replace, individual company preparations for MSPO 2.0 certification.









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17th ANNUAL GENERAL MEETING ON 27 MAR



1. Introduction

The Sarawak Oil Palm Plantation Owners Association (SOPPOA) successfully convened its 17th Annual General meeting (AGM) on 27th March 2025 at Promenade Hotel, Bintulu. The event saw the participation of 51 members, meeting the quorum requirements stipulated under SOPPOA's constitution.

2. Chairman's Opening Remarks

Outgoing Chairman Mr. Eric Kiu delivered his final address, marking the conclusion of his two-term leadership. He thanked fellow Council members and all members for their continued support and collaboration. Mr. Eric Kiu highlighted SOPPOA's founding objective – to defend the palm oil industry from unfair accusations and promote its sustainability credentials.

He emphasized the importance of continuing engagement with policymakers and urged the Association to focus on attracting and empowering the younger generation. Mr. Eric Kiu also recognized POMtec as a vital platform not only for capacity building but also for strengthening the industry's public image and technological advancement.

3. Key Reports and Updates

3.1 Confirmation of 16th AGM Minutes

The minutes were read by Dr. Felix Moh and confirmed by the Chairman, seconded by Mr. Luke, and endorsed by all present.

3.2 Treasurer's Report

Mr. Tang presented the financial statement ending 31st December 2024 on behalf of the Treasurer. The report was proposed for adoption by Mr. Joseph Blandoi, seconded by Ms. Florence Tiong, and unanimously accepted.

3.3 Appointment of Auditor

Members agreed to retain Philip Tong & Co. as the official auditor for the coming year.

3.4 Secretary's Report

Dr. Felix Moh, on behalf of Secretary, provided an extensive update on the Association's activities:

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▶ From..20

- 3.4.1 Webinar organized: Topics ranged from sooty mold infestation, e-invoicing compliance, SST classifications, to bagworm management.
- 3.4.2 Government Representation: SOPPOA secured positions in several key government committees, including the MPOB Board, Sustainability and Standard Committee and Technical Committee on Palm Oil Taxation Restructuring led by KPK.
- 3.4.3 Strategic Engagement: SOPPOA engaged with SEB on biomass energy potential (as per instruction from the Premier of Sarawak), the Indonesian Consulate on labor recruitment, and agencies like KPK and JTKS on sustainability and forced-labor education.

3.4.4 Achievements:

- Extension for incinerator of organic fertilizer
- RM400,000 HCV study grant (MPOGCF-UNIMAS-SOPPOA)
- RM1 million SBF Bizfund training grant (benefiting 246 menbers)
- RM900,000 MPOC collaboration to promote palm oil in Sarawak

3.4.5 POMtec 2025

Held on 18-19 Febraury 2025, POMtec was acknowledged as a major milestone for SOPPOA. The Chairman thanked members for their strong support, which contributed to the event's success in promoting industry innovation and partnerships.

4. Constitutional Amendments

The following amendments were proposed and unanimously approved:

• Cheque Signatories: Reduced from three to two for better operational efficiency.



Recognition of Online & Hybrid meetings: Formalized into the constitution, allowing future meetings to be conducted in any format approved by the Council.

5. Voluntary Contributions

The flood agreed that the secretariat will write to members to encourage voluntary contributions in support SOPPOA's ongoing programs and new office relocation.

6. Proposed Office Lot at The Podium

The AGM approved the council's earlier proposal to purchase a new office lot at The Podium, allocation RM300,000 for down payment and another RM300,000 for renovations, with a repayment term of five years. In line with Clause 10(8) of the Constitution, the Council sought and received AGM approval for the total cost exceeding RM1 million. The secretariat has been tasked to proceed with the sale & purchase agreement and financing arrangements with Public Bank Bhd.







7. Election of Council Members for 2025/2027 Term

The secretariat presented the outgoing council members and explained the voting procedures in accordance with Clause 7(1) and Clause 8 of the Constitution.

Polima Forest Bintulu Sdn Bhd was automatically appointed as the Associate Member representative, while 15 Ordinary Member nominees contested for five open seats. Voting was conducted digital via Google Form.

The following ordinary member nominees were elected:

- 1. Seatex Development Sdn Bhd
- 2. Shin Yang Forestry Sdn Bhd
- 3. Tradewinds Plantations Management Sdn Bhd
- 4. Samling Plantation Sdn Bhd
- 5. Woodman Plantation Sdn Bhd

They will join the seven Permanent Council Members and the Associate Member to for the SOPPOA Council for the 2025/2027 term.

8. Closing

The floor agreed a follow-up meeting to be scheduled to appoint office bearers.





