

New planting planned

Sarawak Plantation to carry out planting of oil palm trees on 8,500ha

By JACK WONG

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KUCHING: Sarawak Plantation Bhd (SPB) is carrying out new planting of oil palm trees on 8,500ha this year.

Group managing director Datuk Hamden Ahmad said land clearing activities for areas in Mukah, Sri Aman and Sibu-Sarikei had been completed.

"We will carry out planting in the next few months," he told *StarBizWeek* after SPB's AGM at Damai Beach Resort near here yesterday.

"The company has allocated RM150mil for capital expenditure this year.

Hamden said SPB group had total landbank of nearly 52,000ha, inclusive of 12,900ha under native customary rights (NCR) joint ventures, at end-2011.

The group has more than 29,500ha of oil palm estates, of which 12.4% are immature fields. About 25% of the estates are aged four and 10 years, 36.7% between 11 and 15 years, 10.4% between 16



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and 20 years and 15.5% more than 20 years old.

Hamden said SPB was on the look-out for possible acquisition of oil palm plantations in line with its group expansion plan.

"We have visited several estates offered for sale but the price tag was an issue (too expensive)," he added.

He said the group was in negotiations to embark on more NCR land joint ventures.

Through an aggressive new

planting and possible acquisition, SPB targets to increase its plantation size to 100,000ha within five years.

Hamden said the group had adequate supply of planting materials as SPB is Sarawak's sole oil palm seeds producer, with annual production of 1.4 million seeds.

This is expected to be increased to 5.8 million high quality seeds by 2014.

The seeds under brandname *Surea Dxp* are also sold to other

plantations and smallholders.

He said the group was working towards increasing the yield of fresh fruit bunches (FFBs) to 17 tonnes per ha this year as the new management had addressed problems related to irregular application of fertiliser on palm trees.

The group recorded low yield of 13 tonnes per ha last year as it failed to harvest from 1,855ha plantation in Suai, Miri due to on-going dispute with Penan scheme participants and disturbance by locals at its Mukah plantations that had affected more than 2,500ha.

Hamden said the group employed about 3,000 estate workers, and was short of another 300 workers, particularly fruit harvestors.

SPB owns and operates two palm oil mills in Miri and Mukah with combined capacity of 180 tonnes per hour.

For financial year ended Dec 31, 2011, SPB group's pre-tax profit doubled to RM104mil from RM52mil a year ago.

Group revenue surged to RM479mil from RM340mil.