



Photo: Malay Mail

## Sarawak to make feed from oil palm waste – will it overtake Sabah?

KOTA KINABALU Aug 21 – The Sarawak government has last week allocated RM35 million to a state agency to start a pilot project to produce animal feed from oil palm biomass.

Sarawak Premier Tan Sri Abang Johari Openg said the State Land Consolidation and Rehabilitation Authority (Salcra) will be entrusted with the task.

The project announced on Aug 19 sounded, at least in intention, to a series of animal feed and cattle farming programmes carried out in Sabah since 2015.

Sabah state-government-controlled Sawit Kinabalu, primarily an oil palm company, has been using oil palm fronds from its estates in Sabah's east coast to produce animal feed for its expanding cattle farm.

A recently company statement said that in order to commercialise its cattle operation to reduce Sabah's dependency on beef imports (which stood at about 95%) its needs to increase its cattle herd to 50,000 heads.

With more and more of its oil palm mills generating power from methane gas from POME (palm oil mill effluents), Sawit is only a handful of Sabah oil palm companies rising to the call of optimising the use of oil palm wastes.

Until recently when Sarawak rose to the top, Sabah was for a long time the top oil palm growing state as well as the state that produced the biggest volume of crude palm oil. It has at least 1.55 million hectares of oil palm which was estimated to generate some 20 million tons of oil palm wastes, including empty fruit bunches (EFB), mesocarp fibre, palm kernel shells, palm fronds and palm trunks.

In 2011 when the National Biomass Strategy 2020 was announced, Sabah was listed as the hub for second generation biofuel (fuel from biomass).

A few years ago, the Agensi Inovasi Malaysia (AIM) a unit under the Prime Minister's Department sponsored a study to draft the Sabah Biomass Industry Development Plan. A draft was produced in 2016. Recently, news of Sabah wanting to biomass policy made its rounds along with plans to operate collection centres to aggregate oil palm biomass for value-adding processing.

Under NBS2020, Sabah's oil palm biomass had the potential of producing a Gross National Income (GNI) of RM30 billion.

Upon casual examination and anecdotal examples, the missing link to a robust biomass industry is to ensure biomass supply and price assurance. About 85% of oil palm grown in Sabah belong to non-local companies, some of them public-listed. This simply means that their bottomline and shareholders' demands outstrip any Sabah government goals or intentions. This is aggravated by the fragmentation of the biomass supply chain with negligible re-use of oil palm trunks and price war over palm kernel shells. Steep transportation cost of bulky EFB has prompted some mills to dump the waste at their convenience.

With about 130 oil palm mills owned by different owners with different outlooks and priorities, a consensus to support a state drive towards optimum biomass utilisation is only likely with a state driven policy.

### **Will Sarawak overtake Sabah despite the latter's having started years ahead?**

KUCHING, Aug 19 — Premier Tan Sri Abang Johari Openg today said he has allocated RM35 million funds to Sarawak Land Consolidation and Rehabilitation Authority (Salcra) to produce animal feeds from its oil palm waste as a pilot project.

He said if the pilot project is successful, the state government will set up more manufacturing plants to produce other products out of oil palm waste.

He said the move to manufacture the animal feed is aimed to reduce the costs of meat, chicken and eggs, by producing the animal feed locally.

"You know the prices of chicken and eggs, for example, have gone up, one of the reasons was due to the high cost of imported animal feed," he said at the opening of the Dayak Cultural Foundation (DCF) and Dayak Chamber of Commerce and Industry (DCCI) twin towers here.