

Malaysia strategizes to aid palm oil industry smallholders to boost the sector

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The Malaysia Ministry of Plantation and Commodities has been formulating plans for the revitalisation of low production levels among Malaysia's palm oil sector smallholders.

Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani in his recent address to Malaysian palm oil industry leaders at the 14th Malaysian Palm Oil Industry Dialogue 2024 on Feb 20, Johari acknowledged the importance of collective actions in navigating the multifaceted challenges confronting the industry.

Johari emphasized the need for a comprehensive approach to tackle pressing industry issues such as labor shortages, sustainable agendas, low productivity, competition with other palm oil suppliers, and the current tax structure.

Johari also highlighted the crucial need for a robust workforce to propel economic growth. Labour shortages, particularly within Malaysia's palm oil sector, remain a pressing concern, he said, according to a statement by MPOC.

Johari said that collaborative efforts between the Ministry of Human Resources and the Ministry of Foreign Affairs will be pursued to address this issue. Johari also stressed the importance of establishing a distinctive Malaysian palm oil brand to create a unique market position globally. Maintaining the integrity of MSPO certification standards is imperative, he said.

On the current tax structure, Johari said that collective efforts to address these challenges and pursue viable solutions are underway.

Malaysian Palm Oil Council (MPOC) chairman Datuk Carl Bek-Nielsen, in addressing concerns regarding the upstream sector, said that the current yields of oil palm fresh fruit bunches are dangerously low. He said that concerted efforts need to be taken without further delay to improve this in order to offset the increase in the cost of production.

“As part of nation-building, the industry must embark on a large-scale replanting programme. Malaysia should be at the forefront among palm oil-producing countries in terms of oil yield per hectare,” he added.

Bek-Nielsen said that the downstream sector must make a collaborative effort to ensure that the Malaysian palm oil brand is recognised as “premium quality” globally for food and non-food applications. He emphasised that if achieving this goal necessitates investment in modernising the facilities, then it is imperative that the industry do so.

The Malaysian Palm Oil Industry Dialogue 2024, hosted by MPOC, serves as a platform for the Plantation and Commodities Ministry to interact with Malaysian palm oil industry stakeholders through a town hall session to address industry challenges.