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Drivers and Challenges in the Plantation Industry in the Next Decade

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The plantation industry will continue to be a sunrise industry in the next decade. The demand for palm oil as a source of food will increase in tandem with the ever growing world population. Similarly, the rapid development and creation of wealth, particularly in the BRIC countries, will drive up the demand for automobiles and, hence, tyres. The pallid global economic outlook may, however, curtail these demands to an extent.

Oil palm and rubber will continue to be the favourite choices. Preference will be given to cultivating oil palm and areas not suited for oil palm will be relegated to cultivation of rubber. More offshore planting of both crops is envisaged, leading to not only the need for crop suitability evaluation but also the need to evaluate the social, business and political situations of the region to ensure success in the venture.

Other challenges include the need to increase land productivity by planting higher yielding materials and the need to find effective solutions e.g. for Ganoderma in oil palm and the labour shortage. The rapid increase in areas planted will create a shortage of experienced personnel at all levels, viz. field and factory managers, supervisors, agronomists and field workers. As such, the potential high yield may not be realised in some areas due to the lack of competent personnel and this will affect profitability. The victors will be investors who have done their home work well, are risk takers and prepared to give good remunerations to employ and retain competent personnel who can manage the daily chores in the plantations well.

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