

Kenaf a step nearer to going commercial

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Anchor company set up to handle crop's processing and marketing

KENAF, potentially Malaysia's new industrial crop, is a step nearer towards commercialisation with the setting up of an anchor company which will handle its processing and marketing.

Plantation Industries and Commodities Minister Datuk Peter Chin Fah Kui said four companies will form the anchor company which will work closely with the National Tobacco Board in developing a collecting, processing, marketing and collection Centre (CPMC) for the crop.

It will be in tandem with the model under the East Coast Economic Region (ECER).

"Kenaf growing will enable the ECER to provide higher socio-economic value to these states," he said, after witnessing the signing of one MOU and several letters of intent by the National Tobacco Board in Putrajaya yesterday.

All four companies will put in an initial investment of RM35.5 million.

Kenaf can serve as an important economic activity under the agriculture sector which will be the main thrust of the ECER, which covers Terengganu, Kelantan and Pahang.

Under the ECER, 10,000ha will be planted with kenaf in Bachok or Pasir Puteh in Kelantan and Setiu or Marang in Terengganu where the BRIS soil (or beach ridges interspersed with swales) is abundant.

The short-term crop, which entails an average investment of RM7,500 per hectare, will provide employment opportunities and increase the disposable incomes of tobacco farmers.

NTB plans to plant 1,000ha of



MULTI-PURPOSE CROP: Rain Forest Kenaf managing director Iman Shah Ismail (second from right) shows Chin (second from left) some kenaf products after after witnessing the signing of an MOU and several letters of intent in Putrajaya yesterday. Also present was the secretary general of the Ministry of Plantation Industries and Commodities Datuk Dr Michael Dosim Lunjew (left). — Bernama picture

the crop this year, an increase from the 400ha allocated for the crop last year.

"The kenaf industry, which is being developed since 2000, is still inundated with challenges such as high development costs, agricultural management practices on the BRIS soil, low productivity, non-availability of efficient technology for large-scale production as well as the skills of the entrepreneurs."

By working with SIRIM, machinery can be used for harvesting the crop and this would cut labour costs.

Chin also said that the biggest challenge to NTB is changing the mindset of the tobacco growers who are currently enjoying the strong prices fetched by tobacco at RM13 per kilo.

"Kenaf serves as an alternative crop for the 5,000 odd tobacco farmers located along the east coast, who will be hit by drop in prices of the crop and decrease in import duties when the Asean Free Trade Area comes into effect in 2010," he said.

Yesterday one MOU was signed with Integralwood Sdn Bhd,

which will be involved with the commercialisation and production of kenaf biocomposites in Kota Baru.

The three other companies, KEFI Malaysia Sdn Bhd, Symphony Advance Sdn Bhd, and kenaf Natural Fibre Industries Sdn Bhd, signed letters of intent.

NTB will also be collaborating with Unisains Holding Sdn Bhd and Malaysian Newsprint Industries for the pre-commercialisation of kenaf in the production of paper and pulp.