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### CP to outlay Bt240 million to build 3 palm oil mills



In a bid to absorb its palm-oil supply, Charoen Pokphand Group will invest Bt240 million on three crushing mills by 2012 as it foresees rising demand for biodiesel.

The plants are aimed at tapping the company's palm-oil supply of 300,000 tonnes a year, from its palm plantation on 4,200 rai and contract farming nationwide. They will be located in Nakhon Si Thammarat, Chumphon and Sara Buri, and would require an investment of Bt80 million each.

Montri Congtrakultien, Chief Executive and President of the group's crop integration division, said yesterday if the plan succeeded Thailand could double its output of palm oil for biodiesel.

The company is considering selling its palm-oil supply to the country's major biodiesel producers such as PTT, Bangchak Petroleum and Thai Oil.

Starting this year, the company has planted its high-yield-developed oil palm called "CP Golden Tenera". The oil-palm plantation extends over 100 rai of land and would expand to 4,200 rai nationwide within three years.

The developed palm-oil strain can produce 800 litres of crude palm oil per rai, and give higher oil yields of 20-22 per cent compared to the normal palm-oil yield of 17 per cent. This special of type of palm will be cultivable within three years.

Montri said the firm is focusing on planting rubber nationwide as it foresees a rise in the rubber price due to skyrocketing oil price in the world market.

The rubber price could jump to Bt150 per kilo in the near future if the oil price surged to US\$150 (Bt4,700) to \$200 per barrel, he said, adding rubber plantations have a bright future.

Oil currently quotes at \$104 per barrel, while the rubber price exceeds Bt80 per kilo.

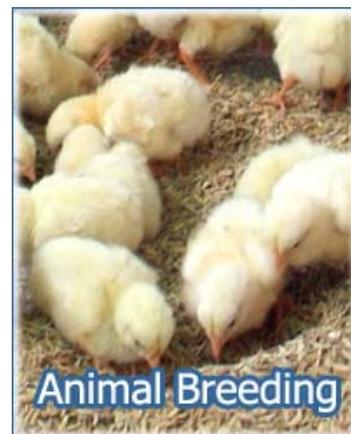
He said the company is exploring rubber planting areas in decadent forests, and in Phetchaboon and Kamphaeng Phet provinces.

The company is contracting the Forestry Department to develop degenerated forest areas to plant rubber, he said.

Presently, the firm is growing rubber on less than 1,000 rai nationwide. It plans to boost the plantation area to 100,000 rai within three years.

The company is also considering growing rubber in neighbouring countries, including Cambodia and Laos through its farming contracts.

(Source: <http://www.cpthailand.com>)



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