



OUR BUSINESS

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Plantations



All our plantations are based in the Riau, East and West Kalimantan provinces of Indonesia. With more than 146,000 hectares planted and a sizeable landbank for ongoing new plantings, we occupy a leading position in the Indonesian oil palm industry.

We adopt industry best-practices when opening up new palm oil plantations. Palm oil seeds are sourced from reputable seed gardens within Indonesia as well as internationally. These seedlings are first cultivated in pre-nurseries and subsequently transferred to main nurseries after 3 months. Delicate care and utmost attention is given to our palm seedlings in the nurseries because we are acutely aware of their significance in determining our plantation yields for the next circa 25 years of commercial production. Only seedlings with excellent conditions are transferred to the field for plantings. As a result of the stringent culling process, out of approximately 200 seeds purchased for each hectare at the nursery stage, only around 150 are eventually utilized in plantings.

Once planted in the fields, the palms undergo an intensive upkeep programme for the first three years when they are still classified as immature palms. We treat our work done in these first three years as the most critical as we believe it sets the basis for healthy and productive palms. Weeding and fertilization cycles are more frequent than for mature palms. Collection roads, harvester's path, box culverts and other infrastructure are also programmed in anticipation of the start of harvesting. By the 20th month, the palms will begin to flower. At this point, we undertake 'castration' exercise to remove the flowers and to prevent fruiting. This is because the first round of fruiting will produce very small fruit bunches which are not commercially acceptable, and in doing so it also has the effect of increasing the subsequent average fruit bunch weight by preserving nutrient utilization. As early as the 30th month, we start to harvest the young palms even though they are technically still 'immature'.

When oil palms are mature, the upkeep programme undertaken is largely similar. However, the frequencies for some upkeep work tend to be reduced as the palms age, for instance weeding. Our group research station provides us with agronomy recommendations based on trials and tests done. For example, rather than relying on a 'one-size-fits-all' fertilizer recommendation, each 25-30 hectare block of oil palm trees are tested for the nutrient content in their leaves every six months in order to come up with the most optimal and cost efficient fertilizer mix. We efficiently utilize our labour in the plantations by shifting harvester's to upkeep work during low-crop season and vice versa.

The ripeness of fresh fruit bunches harvested is critical in maximizing the quality and quantity of palm oil extraction. We harvest the fresh fruit bunches of the oil palm trees only when an appropriate quantity of fruitlets become detached from the fresh fruit bunches, indicating peak ripeness. The average yield of fresh fruit bunches per hectare of our oil palm plantations was 23.0 tonnes in FY2012.