



Travel through ASEAN with ease.

Get instant coverage as low as USD7!

BUY NOW



The Phnom Penh Post

MNS POST WEEKEND PROPERTY SIEM REAP INSIDER MULTIMEDIA POST JOBS



TAKE ADVANTAGE OF OUR BEST OFFERS

SIGN UP NOW

Leading edge: Red corn for a food-secure future

Tue, 7 September 2010 Kun Makara

Johnny Ong is chairman of HLH Agriculture (Cambodia), a Singaporean firm that has invested in red corn production in the Kingdom since 2008.

Johnny Ong is chairman of HLH Agriculture (Cambodia), a firm that has invested in Cambodian red corn and plans to inject another US\$400 million in the future. **Photo by: PHA LINA**

You have been operating Cambodian projects for nearly for two years, could you tell me about your initial capital investment?

We invested US\$40 million in a project that covers 10,000 hectares in the Oral district of Kampong Speu province and another 450-hectare site in the province's Omlaing district.

Of this land, 10,000 hectares is a concession, and the other 450 hectares is freehold. Our company is 100-percent owned by a listed company in Singapore.

Why were you interested in investing in corn production in Cambodia?

One reason is because there is a lack of food security in the world now. We have foreseen that it is a good opportunity for the industry to grow.

The agriculture sector is a long-term investment, and a lot of people ask me why I choose [to invest in] corn and not rice or cassava.

We are investing in the corn industry because it can help Cambodia by attracting more processing companies to come here.

Corn can also be processed into a few thousand kinds of products – not only for people but also for animals.

What is your company's production capacity?

We have just planted 5,000 hectares of corn and completed some factories. This year we will plant on another 2,000 hectares, which we will harvest twice.

We need to clear the land and set up water irrigation systems and warehouses. Last year, we could produce between 3 and 4 tonnes of corn a hectare, but now we get about 5 to 6 tonnes per hectare because we have tried to improve our planting process.

Our objective in the next five years is to produce between 8 and 10 tonnes per hectare.

Next year, we want to build another warehouse, and we also intend to build another drying plant.

We currently have two types of planting machines, some from the United States and some from Spain, and have the biggest high-tech harvesting machine in Asia. Our processing plants are from China.

Do you have any plans to increase your investment?

Our main target for Cambodia is to have 100,000 hectares for corn

Related articles

- Feed plant in Pailin to aid farmers' stockpiles
- Corn exports earmarked
- B'bang to get SKorean corn-drying machine
- Singapore allots \$15m for corn in K Speu
- China considered as export market for unsold cassava
- Cassava plantings decrease
- China plans to import cassava
- Saigon Trading Group signs deal for red corn

Latest Video



Aeon launches in Cambodia

Japanese giant Aeon open their new \$200 million mall in Cambodia but Prime Minister Hun Sen warns at the opening that the opposition should not use it as a site to stage protests.



Subedi wraps visit with warning

United Nations rights envoy to Cambodia Surya Subedi says Cambodia risks more violence if reforms are not enacted.

This month 20 years

1994-06-03 07:00

Expert suggests safaris

1994-06-03 07:00

Police Bloter: 03 June, 1994

1994-06-03 07:00

Govt gears up for Beijing conference

1994-06-17 07:00

Pre-shipment checks to boost import duties

1994-07-01 07:00

Hocky moves to counter prison critics

plantations to produce more than 1 million tonnes per year.

We plan to inject US\$400 million to increase corn plantations by 50,000 hectares in the next five years. We hope we can succeed. We will also consider building a corn-starch and corn-oil processing plant.

We also plan to go into rice and cassava plantations, maybe over the next year, as we want to fully utilise our land even though some of it is low-lying.

Do you sell corn in the local market or do you export to other countries?

Actually, we export our entire yield to Vietnam, Malaysia, Taiwan and Thailand.

Do you have any plans to export to Europe?

We cannot make exports to Europe because they mostly buy from United States at a cheaper price. If they want to buy from us, they will spend more.

But the fact that Asian countries are planting corn, rice and cassava to cover Asian needs is enough because we have got a huge population, and they have to have food to eat every day.

What about corn demand in the global market?

Following studies, I see that the whole world has a shortage of corn. That's why we see that this year the corn price has been going up. Last year, we sold crops for about US\$100 per tonne, and now it's more than \$200 per tonne.

China is the largest corn-producing country in Asia, and they have a lot of factories, which need about 1 million to 5 million tonnes of corn to produce oil, medicine, fibres and many other kinds of products. The corn market is bigger than cassava.

The whole world is changing. There are less farmers because everybody wants to seek jobs in the cities. So, how are we going to produce enough food for rising populations?

I think Asia's demand minimum is about 50 million tonnes of corn [a year]. How can Asia produce this huge amount? This is a very big volume.

It is a good opportunity for us. We just want to make exports.

Also, the weather is changing, and some other agricultural land that has already produced cannot be planted every year.

We came to invest in this country because it has a lot of land with potential to plant any kind of agricultural product.

What about the local market; do you buy from farmers?

Cambodia has four processing plants that need corn to process into animal feed. I think one company maybe requires 5,000 to 20,000 tonnes every month. So far I have not seen any foreign investors come to invest in corn production here - we are the first one.

We have bought just a few hundred tonnes from farmers, because most of them sell directly to local buyers for export to Vietnam or Thailand. Sometimes, we can not compete with the price because the direct buyers offer a bit more.

Do you have any difficulty in exporting?

Well, export for us is very challenging because the domestic costs are high. We also need to have documentation.

As Cambodia does not have a quality-checking laboratory, we need to go to Vietnam or Thailand. We hope that Cambodia will set up a lab to test all the kinds of agricultural products for companies working in the sector.

What do you think about the country's agriculture sector?

I have been here for the last two years. I think the sector is improving because of the government.

It is encouraging farmers and offering tax-free imports on farming machines. It also facilitates us in term of export process. Customs

services and the ports are improved.

0

Comments Please, [login](#) or [register](#) to post a comment

The Phnom Penh Post

Post Media Co Ltd
888 Building F, 8th Floor, Phnom
Penh Center
Corner Sothearos & Sihanouk
Blvd
Sangkat Tonle Bassac
12301 Phnom Penh
Cambodia

Tel: +855(0) 23 214 3 11-17
Fax: +855(0) 23 214 318

Company

[About us](#)
[Staff list](#)
[Advertising](#)
[Contact](#)
[Privacy policy](#)
[Refund Policy](#)

Supplements

[7Days](#)
[LIFT](#)
[Real estate](#)
[Siem Reap](#)
[Insider](#)
[Special reports](#)

Sections

[Business](#)
[Lifestyle](#)
[National](#)
[Sport](#)



Facebook



Twitter



Google +

