

Plantation conglomerates accelerating agriculture sector's growth nationwide

TH Plantations

The plantation branch of Lembaga Tabung Haji, TH Plantations Bhd (THP), operates oil palm, rubber and teak plantations in Malaysia.

Founded in 1972 as Perbadanan Ladang-Ladang Tabung Haji Sdn Bhd, it debuted on the Bursa Malaysia Securities Bhd Main Board on April 27, 2006.

THP established its first estate at Ladang Sungai Mengah, with a 4,000ha of land, and rapidly enlarged its land bank throughout the years.

THP now owns around 98,000ha of land, 38 estates and six mills in Peninsular Malaysia, Sabah and Sarawak, as well as in Kalimantan, Indonesia.

THP primarily manufactures FFB, palm kernel (PK) and CPO for the Malaysian market.

It believes that there is a huge potential for significantly larger FFB and CPO output in the next few years, as stated on its website.

It aspires to be an efficient, robust and successful oil palm plantation in the future by laying a solid basis and creating better opportunities for organic growth and new initiatives.

On its sustainable initiatives, THP has established a Sustainability Policy which encompasses THP's three key businesses palm oil (cultivation of oil palm, processing of FFB, marketing of PK, CPO and FFB), forestry (harvesting of latex and rubber-wood) and management services (includes the provision of management services for oil palm plantations).

The policy also touches on human rights and social commitments, a safe and healthy workplace, employee welfare and promoting career development, respecting and upholding land rights and creating shared value for local and national growth.

On environmental responsibility commitments, the policy highlights the NDPE commitment, efficient use of resources, waste, effluent and air emissions management, neighbouring water resources, zero burning and biodiversity and conservation.

Meanwhile, the policy's ethical business commitments highlight procurement practices, supply chain traceability and corporate integrity practices.

For 2023, THP will participate in several activities to support the conservation of coastal forests and peatlands in Gunung Arong Forest Reserve (GAFR), blocking selected drainage canals in the forest reserve and adjacent areas and many more.

The activities planned are part of initiatives signed in July 2022 by the group and the Global Environment Centre, in collaboration with the Johor State Forestry Department (JSFD).

As part of its recovery plan, THP will work on a conservation project focused on the long-term protection and rehabilitation of 4,300ha of land in the northeast portion of the GAFR (to the east of the road between Mersing and Endau that runs through the forest).

So far, from July to December 2022, the project has undertaken several including preliminary field visits to GARF, land cover and land use assessment, analysis of fire hotspots, peatland survey and depth assessments, vegetation and fauna surveys, preliminary fish survey and meetings with JSFD.

In a filing to Bursa Malaysia on Jan 27, THP recorded 64,616.37 MT of FFB, 13,817.64 MT of CPO and 3,440.2 of PK for its December 2022 production figure.

For its third quarter ended Sept 30, 2022 (3Q22), THP posted a net profit of RM14.37 million, down 46.4% from the net profit it recorded in 3Q21.

According to the group's media release, palm oil product prices are projected to remain volatile throughout 4Q22 due to larger year-end palm oil stocks, weather unpredictability and the impending low production season.

"The group has taken all possible steps to address its foreign labour shortage and is expected to ease in 4Q22.

"THP has also stepped up its mechanisation efforts and transformation initiatives in all its estates where possible to improve operational efficiency," it said.