

Oil palm seed scam

Malaysian Palm Oil Board reveals syndicate selling low-yielding seeds as high-quality strain



A SYNDICATE selling fake crossbred oil palm seeds of the DXP strain was recently uncovered.

The multi-million illegal business has taken advantage of the increase in demand for such seeds as Malaysia aggressively embarks on its RM200 million replanting programme.

The Malaysian Palm Oil Board (MPOB) said the syndicate has been cheating planters by selling them low-yielding seeds that are not DXP crossbred ones currently sold by the 19 genuine producers.

MPOB director general Datuk Dr Mohd Basri Wahid said such cheating cases have serious implications as they affect the livelihoods of thousands of smallholders and the country's average oil palm yield.

Since May 2008, MPOB has conducted 24 raids and seized 6.13 million fake DXP seeds. This amounts to RM11.35 million worth in opportunity loss for genuine crossbred seed producers. So far, eight cases have been brought to court.

Under the MPOB licensing rules, those found guilty are fined up to RM200,000 or jailed up to three years or both.

"We need to be more vigilant because lately, these tricksters have become a very organised syndicate. They are falsifying the logo, business documents and packaging of genuine seed producers like Sime Darby and Felda," he said at a press conference in Bangi, Selangor yesterday.

At a recent raid at Ulu Keratong in Pahang, an MPOB enforcement team seized 200,000 low-yielding seeds that are not crossbred.

"If you quantify the opportunity loss of seed sales by Sime Darby and Felda, it is about RM430,000. But if you look at the loss of future oil sales to planters at today's price, it translates to RM278 million per 40ha for a smallholder in a year," Basri said, adding if the smallholder does not realise the mistake and allow the low-yielding trees to grow to 25 years, the opportunity loss accumulates to RM7 billion.

Malaysia's oil palms are the most productive in the world because of the government policy to use high-yielding crossbred seeds of the mother palms of the deli and psifera (DXP) strains.

Regular seeds collected from existing oil palm trees will only yield five to 10 tonnes of fresh fruit bunches in a year compared to DXP seeds' 25 tonnes.

Cross breeding of high-yielding DXP seeds takes time and are sold for RM2 per seed.