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FELDA-MIMOS COLLABORATION ON INTELLIGENT PLANTATIONS - A WORLD FIRST

Felda Agricultural Services Sdn Bhd (FAS) and MIMOS Bhd today signed a Memorandum of Understanding (MOU) to collaborate towards the development of intelligent plantations – the first of its kind in the world.

Under the terms of the MOU, the two parties will collaborate in six areas whereby MIMOS will develop new applications for FAS based on its Micro Electro Mechanical System (MEMS) sensor technology, semantic technology, wireless technology and grid computing technology platforms. These tools will be used to enhance FAS' R&D and advisory services to the Felda Group which oversees some 740,000 hectares of oil palm plantations.

One of the key thrusts of this collaborative venture is to develop an intelligent platform based on frontier ICT technologies for remote and accurate monitoring of soil conditions and crop parameters in Felda estates.

The other is to develop an information system based on MIMOS's semantic technology, harnessing FAS' 40-year knowledge of in-field variability for strategic usage to enhance the productivity of Felda's oil palm plantations.

The collaboration is expected to herald a new era of precision agriculture marrying ICT with agriculture whereby digital databases will guide estate management and lead to higher profitability.

MIMOS' Sensor Technology platform involves using MEMS technology integrated with electronic and wireless modules whereby MEMS sensors collect in-field data and relay the information automatically to crop databases. Apart from eliminating manual assessment through soil sampling, this automated system will be able to capture critical data to aid decision making in the plantations.

Worldwide including in Malaysia, this is the first move to use MEMS-based technology towards increasing palm oil productivity. It is currently used mainly in manufacturing and security sectors.

However, FAS and MIMOS will utilize frontier tools and technologies to widen the scope of analytical data usage to make explicit FAS' tacit knowledge for more strategic purposes.

The collaboration also involves the transformation of data collected through the Intelligent Plantation System to be transposed into the data collected by FAS over the last 40 years to enhance FAS' ability to forecast yields, emerge site specific information for better estate management and analyse data for decision making.

Felda Chairman Tan Sri Dr Mohd Yusof Noor said that the collaboration is a significant step forward for the industry because sophisticated technology will be brought to bear to re-engineer some of the existing practices in oil palm plantations.

"Felda aims to be a respected and successful global enterprise in palm oil. In an environment where rising plantation costs, volatile commodity prices and labour issues impact profitability, technology becomes an important enabler towards improvements in yield and quality."

"This collaboration will eventually usher in an era of intelligent plantations. I foresee the establishment of a new, 'Modern Felda', where the convergence of knowledge technology and ICT with agriculture will produce 'digital planters' in Felda", he said.

MIMOS' Chairman, Dato' Suriah Abdul Rahman said the collaboration with FAS is a further demonstration of the efficacy of MIMOS' technology platforms in line with the National Innovation Model to drive the country from a factor-driven economy to a knowledge-based one.

"The collaboration with FAS provides MIMOS with the opportunity to validate MIMOS' frontier technology applications. We are indeed very excited to be working with Felda in applying frontier ICT technologies in non-traditional industries such as agriculture and the plantation sector to enhance productivity," said Dato' Suriah.

"FAS has 12,434 hectares of land of which 11,500 is planted with oil palm, while the Felda Group has some 800,000 hectares. It goes without saying that the possibility of the entire Felda Group being managed based on the applications and technology platforms that we develop is a very exciting prospect indeed for us," she added.

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BACKGROUNDER

About FAS

Felda Agricultural Services Sdn Bhd (FAS) is a direct subsidiary of Felda Holdings Bhd, providing R&D services to the Felda Group.

It was set up in 1968 and incorporated on 1 January 1978.

FAS specialises in oil palm plant breeding technology, tissue culture, agronomy and crop protection. Its DxP Yangambi seed is the preferred choice in the plantation sector due to its high yields. It is a household name in the region and has also been planted as far away as in Honduras, Columbia and Sierra Leone. The DxP Yangambi recently won a Brand Laureate Award in the Agricultural products category for SMEs.

As Malaysia's single largest supplier of oil palm breeding materials, FAS supplies over 20 million seeds a year. 75% of its seed production is marketed to external clients in Malaysia and Indonesia. In 2008, it holds a 28% share in the local seed market. FAS also owns South East Asia's largest oil palm tissue culture biotechnology centre in Nilai, Negeri Sembilan which is capable of producing 1 million ramets a year by 2010. FAS also supplies fertilizers, rat baits and pesticides as well as provide other technical and laboratory services.

In R&D, FAS runs one of the country's oldest agricultural R&D practice. It has 14 research stations located all over Malaysia. The largest, the Tun Abdul Razak Agricultural Research Centre is located in Jengka, Pahang. FAS also has 2 fertiliser plants in Kuantan and Lahad Datu.

All these initiatives have resulted in considerable financial success for the company. In financial year 2007 FAS reported a revenue of RM341.2 million and a profit before tax of RM74.3 million. The sale of its oil palm germinated seeds alone netted RM22.13 million for the company. FAS' success partly stems from it having its own landbank with which to conduct field trials. FAS has more than 12,000 hectares, of which 11,500 are planted with oil palm and the rest with tropical fruits, cocoa, coffee and timber. FAS' oil palm estates consistently outperformed the industry. In 2008 it produced 26.5 tonnes of FFB per hectare.

FAS employs 2,114 employees and workers.

About Felda Holdings Bhd

Felda Holdings Bhd is one of Malaysia's largest diversified agro-based enterprises, one of the world's largest palm oil producers and Malaysia's largest plantation operator, supporting well over 840,000 hectares of plantation landbank associated with the Federal Land Development Agency (FELDA).

Its Group of Companies provides technical advice and support to the Felda Group, develops and manages over 550,000 hectares of FELDA's plantation landbank and undertakes palm-oil based downstream activities.

Apart from palm oil, Felda Holdings Bhd also processes rubber and cocoa products, manufactures fertilisers as well as operates several successful auxiliary businesses. Among these are IT, engineering, security, storage and logistic services.

Felda Holdings Bhd is a successful investment holding corporation with a turnover of RM10.7 billion and PBT of RM551 million in 2007 fiscal year. It has 60 subsidiaries, associated companies and joint venture companies. It employs 19,000 employees and has a labour force of 46,795 workers at 346 estates, 71 palm oil mills, seven refineries, four kernel crushing plants, 13 rubber factories, manufacturing plants and several logistic and bulking installations throughout Malaysia and in several locations overseas.

On the international front, Felda Holdings Bhd has business interests in US, Pakistan, China, Sri Lanka, Thailand and South Africa. It enjoys several long-standing joint-venture partnerships with large multinationals such as Procter & Gamble.

About MIMOS

MIMOS is the premier applied research centre in frontier technologies aimed at growing globally competitive indigenous industries. MIMOS pursues exploratory and industry-driven applied research through multi-stakeholder smart partnerships with local and international universities, research institutes and industries and the Malaysia Government with a focus on frontier technologies.

MIMOS' applied research / technology areas are refined into eight (8) technology clusters - Knowledge Grid, Knowledge Technology, Information Security, Wireless Communications, MEMS, Advanced Informatics, Micro Energy and Nano Clusters.

MIMOS' focus is on driving globally recognized Centres of Excellence to promote and license MIMOS technologies or IPs to qualified indigenous ICT companies to strengthen their abilities to compete globally and move Malaysian ICT industry higher up the value chain. MIMOS is the recipient of the Asia HRD Congress 2008 Award under the 'Contribution to the Organisation' category for outstanding contribution to the field of Human Resource Development and the Frost & Sullivan's Growth Excellence Award 2007 for Industry Innovation & Advancement (Precision Agriculture) for its application and development of Micro Electro Mechanical System (MEMS) in the field of precision agriculture.