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Palm oil in Iloilo (1)

SOME would be surprised about this development but a group of farmers, entrepreneurs and leaders in central Iloilo are organizing in a low key manner the entry of this industry in the province and ultimately throughout Panay. Last Thursday, March 20, the organizers led by Balibayan Rey Lau-a of Dueñas, Iloilo held a launching program attended by leaders and would-be participants at the Social Hall in that town. OIC Mayor Pablo Landar played host and chief advocate for palm oil in his municipality. The main guests were Mr Ponciano "Pons" Narciso, chairman of the Philippine Palm Oil Development Council, based in Davao City, and Dr. Johnny Dominicata, a palm oil planter and agriculture consultant to the Municipality of Kabacan who has Ilonggo roots, specifically in



By LARRY LOCARA

Lambunao. They provided invaluable inputs and industry insider information.

The launching was likewise attended by San Enrique Mayor Zafiro Palabrica, Philippine Coconut Authority regional manager Joe Cruz and provincial manager Ed Masuecos, provincial agriculturist

Chong Parian, and representatives of the mayors of Badiangan and Cabatuan.

Mr. Pons Narciso discussed the outlook of the industry and emphasized that palm oil is a sunshine industry where the projected local demand in year 2010 will be more than 190,000 metric tons or equivalent to an area planted to about 80,000 hectares. To date, less than 20,000 hectares had been established. While Mindanao is very much aggressive about this crop, there are some problems particularly on the attraction of new investors due to the perceived peace and order problem. Old players he said are still bullish since they have already survived and made good. Pons Narciso also updated the group on latest developments and the expansion programs of not only his mother unit which is Agumil

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Philippines, Inc., one of the three big players in Mindanao but also the outlook of the council. Bohol has already planted 3,200 hectares and a mill had been established there. Palawan is set to become another area for development as the leaders there have invited the council and the PCA which also has jurisdiction over the palm oil industry. For the smallest processing plant operating at 20 tons per hour capacity, at least 2,000 hectares need to be

planted so as to break even. A hectare of palm oil will guarantee a minimum income of P20,000 per year. When world prices peak, this same area can net as much as P50,000. Maintenance is minimal and the crop starts being productive at 30 months and will be productive for 30 years.

Dr. Johnny Dominicata meanwhile provided a general techno-background just to whet the appetite of the participants, in preparation for

the workshops that will be conducted for several days after the launching. The workshop is aimed at providing approaches to doing the ground work such as getting the right Sangguniang Bayan resolutions, serious pledging

not only by the mayors but by the farmers and investors themselves. Information has to be gathered too.

Regional Manager Joe Cruz welcomed this development but cautioned that palm oil should only be developed in

vacant areas particularly those abandoned by sugar planters. No existing coconut plantations should be converted to palm oil as coconut remains to be an

important oil and food crop for Filipinos Mayor Zaf Palabrica of San Enrique immediately pledged full support and 500 hectares to be developed by

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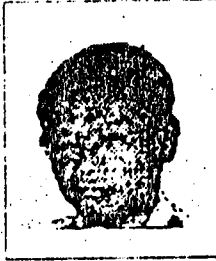
farmers in his municipality. Other farmers and even Chong Parian did likewise although at their own size and scale. Chong Parian relayed the message of support of Governor Niel Tupas who said that he is instructing the Provincial Agriculture Office to help speed up the installation of the palm oil industry in

our Ciliwina

Palm oil in Iloilo (2)

GOVERNOR Niel Tupas expressed his deep interest in the proposed Palm Oil Industry Development Project being initiated by farmer entrepreneurs in Dueñas led by OIC Mayor Pablo Landar and Balikbayan Rey Lau-a. He said that the industry will bring in economic development from direct plantation involvement to employment in the farms and later on in the palm oil mill.

The minimum capacity of an economically viable modern oil processing mill is 20 tons per hour, expandable by units of 20 tons and according to Mr. Pons Narciso, Chairman of the Philippine Palm Oil Development Council, 2,000 hectares of productive plantation is the minimum for such a mill to break even. The said 20-ton mill will operate best at a hectareage of 10,000 or more hectares planted in a radius of 70



By: **LARRY LOCARA**

SIMPLY BUSINESS

kilometers. This means that if the mill were established in Dueñas, farmers up Tigbauan in the South and Barotac Viejo in the East and up to Dumarao in the North can participate in the project.

African oil palm produces nuts the size of a thumb or slightly larger and in bunches sometimes weigh 80

kilograms. Planting distance is 9.5 meters by 9.5 meters - about 111 plants per hectare, and 9 meters by 9 meters or 123 plants per hectare. Usually the company which will establish the oil mill also prescribes the right planting material, usually a Tenera hybrid which is hardy and highly productive in terms of bunch and oil yield. In the case of the oil mills in Agusan, the mill loaned out the seedlings and was paid back when the farmers' plantations became productive. This was gleaned from the lecture of Dr. Johnny Dominicato, who is a palm oil planter and the agriculture consultant.

A hectare of palm oil produces at least 18 tons of nuts per year and bunches are harvested from 2 to 4 times per month. The farmers are paid by the tonnage delivered. In the past 17 years, the price of fresh nuts

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ranged from P1,600 to P4,300 per ton. Thus, in a bad year, meaning low world prices, the farmer grosses at least P32,000 per year and about 40 per cent of that goes to operational expenses including amortization on development and interest on loans taken out. Dr. Dominicato enjoyed both the bad and good years and

the bad years, he still had enough to tide him over, but he said that good years is about 4 years out of a cycle of 6 years and thus, he is more than satisfied with his investment. Palm oil starts bearing nuts at 2 and one half years and remains productive for 30 years. Investment in a palm oil plantation costs about

* P50,000 per hectare.

Palm oil is a sustainable and environment friendly crop. It thrives even in barren soil since it had originated in Africa where soil is poor and rainfall is low. Where rains are adequate or heavy, high yields had been consistent and for this reason, this crop had adopted well in Agusan and Compostela Valley in Mindanao where rainfall is high. According to both Pons Narciso and Johnny Dominicato, palm oil will be highly productive in Central Iloilo due to the rainfall pattern of the area. The root system is extensive and it will penetrate even the subsoil and bring up the necessary nutrients. Once canopy has developed, the flora usually seen in cooler ecosystems take over from the cogon. One can also plant shade-loving crops or chose to graze goats, sheep or cattle between the palms stands.

Farmers in Mindanao, according to Dominicato

integrate various crops and livestock under the canopy. This provides added income for the farmers. A Mr. Tony Garcia who settled in South Cotabato from Negros raises gamefowls between the rows of palms and earns good income not only from his palm oil but also from his roosters. This he said has aroused the interest of farmers during his lectures in Duenas, Dominicata said.

Modern palm oil mills are environmentally friendly said Pons Narciso. The wastes are burned to run the boilers while the liquid wastes are carted back to the plantations to serve as fertilizers. The skin of the palm are now being extracted by people in Agusan and turned into high quality patterned walling materials and sold at P90.00 per sheet just like the lip-lip made from bamboo here. Only, the lip-lip made from the palms of the plant is more durable and beautiful than that of the bamboo. Farm wastes such as leaves and other parts

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left when the palm skin is extracted are arranged in an orderly fashion around the trunks to decompose and thus condition the soil.

Palm oil may yet become a sunshine crop for Ilonggos and Panayanons in general. With the decline of sugar and the

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erratic world prices, there seems to be no other crop in the horizon to replace them and offer alternatives for the farmers in search of a good crop. Both government and the private sector participate in its

development and once an area opens to the crop, the Philippine Pam Oil Development Council becomes an active agent for the development of the crop, together with the Philippine Coconut Authority. For more

information about the African oil palm and the initiatives in Central Iloilo, please contact Mr. Rey Lau-a in Dueñas or Honorable Mayor Pablo Landar of that municipality. Happy Planting! /PN

* figure includes Roads & drainage / 3-yr. period
Also read articles by Dr. J. Dominicato
& Mr. P. Narciso